FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 27,889 Thursday June 14 1979 ***15p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pta 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

Congress ready for sanctions defiance

Tip O'Neill, Speaker of the House of Representatives, predicted that the House would follow the Senate's lead in voting to remove trade sanctions against Zimbabwe Rhodesia.

This would put Congress on a collision course with President Carter, who has threatened to veto any anti-sanctions move. Page 4

Bishop Abel Muzorewa, Prime Minister of Zimbabwe Rhodesia, last night accused the British Government of playing into the hands of extremists by deferring action on recognising his government. Rhodesia security assurance, Page 10

DC-10 hopes

Airlines in Europe flying DC-10s meet in Zurich tomorrow to discuss inspection and maintenance procedures which they hope will end the grounding of the aircraft. Page 8

Bomb found

Another unexploded parcel bomb was found at Birmingham's main postal sorting depot by police and army personnel continuing their search of the premises after an explosion on Tuesday night. It was the ninth bomb to have been posted in Birmingham and bore a south-London address.

Tube fares threat

Fares on bus and underground will have to go up by at least 12 per cent in September according to Horace Cutler, leader of the Greater London Council. This would mean a 20 per cent rise on the year. Page

Lorraine charge

... Hall, aged 37, of ...ck, Derbyshire, made a ...-minute court appearance ...uxton charged with the murder of Lorraine Underwood, 15. Lorraine and her boyfriend Peter Thompson were found dead in hills near Lorraine's home.

Peach funeral

The East End funeral of Blair Peach, the teacher who died of head injuries received at the Southall demonstration ... weeks ago, was attended by ...,000 mourners from trade unions, teachers' organisations and community relations groups.

Banks raided

A security guard was shot in the leg and another badly ... as raiders snatched ...00 cash from a Midland Bank branch at Bromley, Kent. ...ty minutes later two men with shotguns seized £2,400 from a National Westminster branch two miles away.

Forsyth flops

British comedian Bruce Forsyth's one-man, one-week Broadway show was panned by critics. Mel Gussow of the New York Times described the versatile entertainer as "absolutely average."

Sweet surrender

... and sweet were off the ... the day 20 Nottingham businessmen travelled inter-city to London. Their complaint to British Rail has resulted in a ... refund each.

Briefly . . .

Britain's first iron warship, the ...-year-old Warrior, is to be restored by the Maritime Trust at a cost of at least £4m.

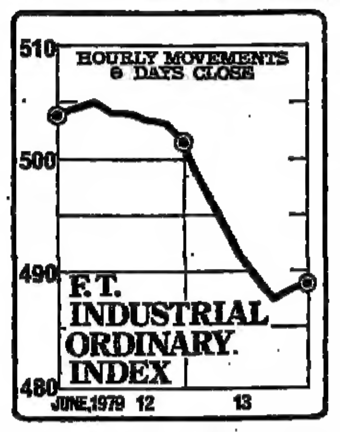
...nal-lover Arthur Gill of ...cote, Middlesex, left £3,000 ... the proceeds of the sale ...s house for the care of his ...

... of William Blake's Songs of Innocence and Experience, ...ed by the author in 1789, ... for £70,000 at Christie's.

BUSINESS

Equities down 12; Gold falls $1½

● EQUITIES closed sharply lower, although above the day's worst, and the FT ordinary



index fell 12.5 to 488.9, the first time it has been below 500 since March 7.

● GILTS fell and the Government Securities index closed 1.78 down at 71.15, its lowest since March 15.

● STERLING gained 1.25 cents to $2.1040 and its trade-weighted index rose sharply to 68.6 (68.0). The dollar's index eased slightly to 86.8 (86.9).

● GOLD fell $1½ to $276¾ in London and in New York the Comex June settlement price was $279.60 ($275.90).

● WALL STREET was 1.04 down at 844.25 just before the close.

● TURKEY and the IMF have reached agreement in principle on terms of a new financial arrangement. Editorial comment, Page 26.

● EEC COMMISSION has called on member governments to press their national airlines to make far-reaching changes in operations and fare structures for travel inside the Community. Back Page

● BASS and Whitbread, two of Britain's largest brewers, have agreed to freeze their pub beer prices until January. Bass will go ahead with the final stage of a wholesale increase held up by a Price Commission investigation. Page 6

● BL CARS has warned its Triumph shop stewards at Canley, Coventry, that nearly 3,000 jobs will have to go in the next three years, in spite of the project to assemble the new Honda car there. Back Page

● PROFESSIONAL civil servants have been instructed by their union, the Institution of Professional Civil Servants, to stage a one-day strike on June 22 and to take further selective industrial action after that in support of their pay claim. Page 9

● HIGHLAND FABRICATORS have issued 90-day notices of redundancy to 1,200 workers at their Nigg oil platform yard because of lack of orders. Back Page

COMPANIES

● WESTLAND AIRCRAFT reports a £5.21m pre-tax profit for the half year to March 31. This follows a loss of £2.86m in 1977-1978. Page 28 and Lex

● INTERNATIONAL TIMBER Corporation is to make a one-for-four rights issue to raise £6.33m. The company reports a 44.5 per cent increase in pre-tax profit to £8.05m for the year to March 31. Page 28

● WEDGWOOD pre-tax profits rose from £8.35m to £8.55m in the year to March 31 following an improvement in the final quarter. Page 30

● SAATCHI & SAATCHI turnover in the first half to March 31 rose 39 per cent to £34.2m, and pre-tax profit rose 50 per cent to £1.13m. Page 30

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...ral Manfg.	74	+ 5
...ikind (W.)	32	+ 15

FALLS

...equer 3pc 1983	£77¾	− 5
...s. 13½pc 1993	£106⅜	− 3¼
...s. 11¾pc 2001-04	£92	− 3⅞
...	268	− 22
...ow Rand	280	− 33
... & WAT A	126	− 14
...ham	545	− 17
... Circle	314	− 10
...sh Home Stores	252	− 13
...on A	248	− 18
... A	255	− 15
...ty	319	− 14
...	365	− 15
...A	374	− 14
...r Inv.	68	− 9
...r A	178	− 10
ICI	360	− 9
Kenning Motor	69	− 6
Land Secs.	284	− 8
Lloyds Bank	320	− 18
Lloyds & Scottish	119	− 9
Metal Box	298	− 12
Perry (H.)	146	− 18
Pilkington	318	− 19
Taylor Woodrow	380	− 25
Unilever	596	− 18
Wadham Stringer	35½	− 5
Wedgwood	88	− 6
BP	1164	− 30
Anglo Amer. Corp.	387	− 55
Anglo Amer. Gold	£18¾	− 3⅛
Conzinc Riotinto	189	− 21
De Beers Defd.	390	− 50
Free State Geduld	£12⅞	− 2⅜
Kloof	666	− 145
Randfontein	£27¼	− 4¼
Rustenburg	135	− 25
Winkelhaak	659	− 123

Pound up again but markets give mixed reception to Budget

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The Budget was given a distinctly mixed reception yesterday by the City's financial markets. Sterling rose sharply again, but prices of ordinary shares fell steeply.

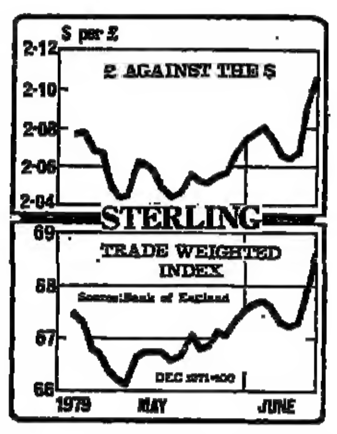
The tightening of the credit squeeze and the two-point increase in Minimum Lending Rate to 14 per cent did succeed in establishing a new base for selling gilt-edged stocks, and more than £750m was quickly raised to finance the Government's borrowing needs.

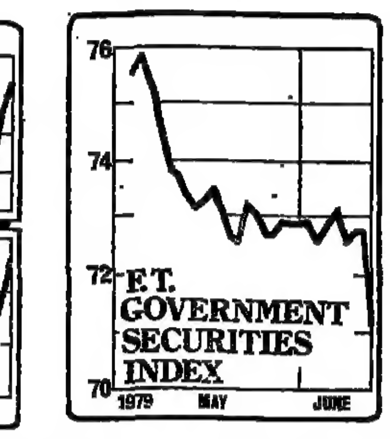
Supplies of the long tap stock, Treasury 11¾ per cent 2001-2004, were immediately exhausted in the morning after a cut in price of £5½ to £90 per £100 of stock as the Government Broker adjusted to the rise in MLR.

There was controversy about the way in which the stock was sold yesterday. The price of the exhausted long tap rose to £92 by the close and existing issues generally finished 3½ points below Tuesday's levels, just above the day's low.

In the money markets interest rates fluctuated sharply, and three-month interbank rates, a key indicator for the clearing banks, moved between 13⅝ and 13⅞ per cent. In view of these movements the clearers delayed the expected increase in their base lending rates.

The choice lies between a rise of 1½ or two points from the present level of 12 per cent. A full two-point increase looks probable since the market appears to believe that a 14 per cent MLR will continue for some time in order to hold down monetary growth.





This is reinforced by market concern following the Treasury forecast that the 12-month rate of price inflation will be 16 per cent by the late summer.

The increase in MLR has reinforced the attractions of UK interest rates compared with returns offered abroad, especially given the other attractions of sterling at a time of rising oil prices and North Sea oil production.

The trade-weighted index, measuring the value of sterling against a basket of other currencies, jumped 0.6 to 68.6, the highest since March, 1976. This is a two-day rise of 1¾ per cent.

After a sharp overnight rise in New York the pound early in London slipped slightly. But demand was strong throughout the rest of the day, and there were signs of occasional intervention to check the rise.

Sterling finished at $2.1040, its highest close since September, 1975, compared with a

Continued on Back Page
Budget reactions, Page 6 and 7
Editorial comment, Page 26

£1.5bn spending cuts 'only the beginning'

BY RICHARD EVANS, LOBBY EDITOR

SENIOR MINISTERS yesterday underlined the tough economic strategy launched by the Budget and their determination to see it through.

Mr. John Biffen, Chief Secretary of the Treasury, warned the Commons that the public spending cuts of £1.5bn this year announced by Sir Geoffrey Howe, the Chancellor, formed "a very preliminary package" and much more would have to follow to restore a proper balance.

Mr. Patrick Jenkin, Social Services Secretary, admitted when announcing details of pension and social security increases that the November-to-November inflation estimate was now 17½ per cent following the Budget.

Mr. James Callaghan immediately accused the Government of "calm complacency" in accepting such an outrageous inflation rate. In his view such a policy was totally unsupportable."

Mr. Denis Healey, Shadow Chancellor, said in the Commons debate on the Budget that the Government's figures did not add up socially, politically or psychologically. He forecast "a winter of discontent that would dwarf in its intensity anything we have known in the past."

The theme of Mr. Biffen, the Cabinet Minister in charge of public spending, was that there had to be a change of economic direction and the purpose of the Budget was to bring this about.

He argued the Budget proposals were not reckless. They were bold—and in some senses stern—but they were responsible.

In particular, Mr. Biffen said he did not underestimate the severity of the strain there would be throughout the public sector. But where public expenditure was increasing well above the planned rate and there was lower growth than estimated, corrective action was vital.

"No doubt this area of debate will extend through the life of this Parliament but what has been presented can only be a very preliminary package," he declared.

Mr. Biffen added that the Government was determined to bring State spending under control before its very magnitude dragged the country down.

"That is a policy which is socially responsible and economically responsible and on this score we shall stand to be counted." he said.

Parliament Page 10
Economic Viewpoint Page 26

WAGES FORUM SHELVED

The Government has shelved plans for an economic forum to "educate" unions in what the country can afford to pay in wages. Hostile union reaction to the Budget intensified at yesterday's meeting of the TUC economic committee. Back Page

Swiss move to control Euroloans

BY DAVID MARSH

SWITZERLAND'S banking authorities are planning the first move by a major central bank towards controlling Euromarket lending.

Dr. Fritz Leutwiler, president of the Swiss National Bank, said in London yesterday that capital ratios were being planned to apply to the world-wide lending of Swiss banks.

He said Switzerland intended to extend to banks' consolidated balance sheets the regulatory system already in force on domestic business, which restricts individual banks lending to a certain multiple of their capital.

The suggestion of applying capital ratios to banks' foreign lending has been one of the central issues of recent discussions among central banks of the main industrialised countries on ways of improving control of the Euromarket.

There are still differences of emphasis among central banks on the extent to which the expansion of the Euromarket—which reached a gross size of some $860bn by the end of last year—is to blame for world currency unrest and inflation.

But central bankers in recent weeks have agreed to make a serious study of options for controlling the market. They have also agreed on the need to force commercial banks to draw up consolidated balance sheets to allow closer supervision of the prudential risks associated with the boom in Euromarket lending.

Now that Switzerland has announced its intention of applying capital ratios to these consolidated balances, other central banks may be preparing to follow.

The West German Bundesbank —one of the main advocates of improved Euromarket control— is understood to be particularly in favour of capital ratios as a means of better regulation.

Dr. Leutwiler, who was speaking at the end of the annual International Monetary Conference for leading bankers, voiced Swiss misgivings about the other main proposals for Euromarket control currently being discussed. This is the suggestion by the U.S. Federal Reserve for a global minimum reserve levy on Eurocurrency deposits.

CONTENTS

Tempers flare in Gilts battle

BY CHRISTINE MOIR

THE GILTS market staged yet another full-blooded melodrama yesterday, not four months after the set piece in February, dubbed the Battle of Watling Street, when the Bank of England shut out late-comers to its new issues.

This time the action took place on the Stock Exchange floor itself against the backdrop of the Gilts pitches of the main jobbers, Akroyd & Smithers and Wedd Durlacher Mordaunt.

The opening scene saw Mr. "Tommy" Gore Browne, of Mullens and Co., the Government Broker, signal that he was prepared to activate the new "long" tap Treasury 11¾ per cent 2001-4, at £90.

The jobbers, who had been inundated with early morning orders at that level (an effective £5 discount) and higher, pitched in and picked up virtually the whole of the £800m.

Then began the drama. Traditionally, jobbers offer such a tap to brokers at a sixteenth above their own purchase price.

Yesterday the weight of demand, far outstripping the supply (especially with the jobbers holding some on their own books in anticipation of a later rise in the market price), encouraged them to set a higher price.

First they scaled down all applications to 75 per cent. Then they offered the first 50 per cent at £90$\frac{1}{16}$ but—there was the rub—the other 25 per cent at £91.

Tempers flared. There ensued "discussions" between the jobbers and what were ambiguously described as "all brokers and their clients." (Mullens and Co's client is HM Government).

The jobbers looked at their books again. And compromised. (Not least because by now the market had weakened, so there was little reason for holding back sizeable amounts of the stock).

Brokers were allocated the full 75 per cent of their allotments at the traditional premium, though a top-up was still available at £91.

The market price went to £92½ then drifted back to close at £92.

Tempers were partially soothed. Though there were those who had not learnt the lesson of the Bank's February "shut-out" and had failed to get their orders in early enough.

Oil exporters press for price rise

BY KEVIN DONE, ENERGY CORRESPONDENT

PRESSURE FOR higher crude oil prices from members of the Organisation of Petroleum Exporting Countries is increasing only two weeks before OPEC is due to meet in Geneva to discuss a general price rise for all crudes.

Indonesia yesterday announced its fourth price increase in less than six months which will add an extra $2-$3 a barrel surcharge on its crude oil exports.

Ecuador, one of the smallest OPEC members, has set a new peak for contract prices by raising the price of its crude exports for this month by 32 per cent to $26.80 a barrel. At the same time Iran has reduced some of its major supply contracts to companies such as British Petroleum and Shell by 13-14 per cent for the third quarter this year.

Iran is claiming that the cuts are to enable it to meet additional requests from other companies and countries for contract supplies. But it is also thought to be selling extra quantities on the spot market where it can gain a premium of $14-$15 a barrel.

BP, which lost a big part of its Iranian crude oil supplies after the revolution, said yesterday that it was making a further cut in its crude supplies to third party customers. From the beginning of next month sales to its remaining customers will be reduced to 35 per cent of contract levels.

Earlier this year BP agreed a supply contract with the new regime in Iran for 450,000 barrels a day for the rest of the year. From the beginning of next month, however, the National Iranian Oil Company is to cut this by 14.5 per cent to 385,000 barrels.

Shell, which was to receive 235,000 barrels a day for the nine months to the end of the year, has had to agree to a reduction of nearly 13 per cent to 205,000 barrels.

There is uncertainty in the oil industry about Iran's level of crude production, but NIOC claimed yesterday that output had dropped by only 5 per cent in May to 3.9m barrels a day.

The price increases announced by Indonesia will bring it close to some of the more hawkish OPEC members such as Iran, Algeria and Libya.

With effect from tomorrow, the price of its main crude Sumatran light, will rise to $18.25 a barrel, an increase of 35 per cent on the price charged in the last quarter of 1978.

Indonesia produces about 1.6m barrels a day and accounts for about 5½ per cent of total OPEC output.

Continued on Back Page

Spot market volume rises to 8% of world supplies

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

THE VOLUME of oil sold on the Rotterdam spot market has increased to almost 8 per cent of the world's traded supplies. Six months ago it was only about 5 per cent, according to information gathered by the European Commission.

This was disclosed yesterday by Dr. Guido Brunner, the Energy Commissioner, who said that more oil had been flowing into the Rotterdam market from sources all over the world, attracted by the high prices that have prevailed there recently. He described this development as "very worrying."

The Rotterdam market is the main outlet for the small fraction of world oil supplies not subject to long-term contract. The inflated prices which crude has fetched there in the last few months have been cited by a number of oil-producing countries as justification for charging a special premium on their exports.

The expansion of the volume of spot trade is expected to lead to stronger pressures from France for controls to be placed on the market, including a ceiling price for crude sold there. This proposal has so far been resisted by several other EEC Governments, notably West Germany and Britain, as well as by the U.S., though Mr. Michael Blumenthal, the U.S. Treasury Secretary, hinted at a possible change in the American attitude.

The Commission, in a series of papers prepared for next Monday's meeting of EEC Energy Ministers, has also stopped endorsing the idea. At this point it is suggesting merely that a more effective monitoring system be introduced to keep track of prices paid for crude by traders and for refined products by consumers in the EEC.

European News, Page 3

Italy's foreign trade back in surplus

BY RUPERT CORNWELL IN ROME

ITALY'S FOREIGN trade moved back into a small surplus in April, according to provisional statistics issued yesterday after the March deficit of L737bn (£417m), the worst monthly figure for nearly three years.

However, the April surplus of L65bn (£36m) still leaves a deficit for the first four months of 1979 of L648bn (£359m) or almost double the cumulative deficit of L348bn (£197m) registered for the whole of last year.

During the period, the country's deficit on oil products, for which it is almost entirely dependent on imports, totalled L2,263bn. This was only partially covered by a surplus on other items of L1,615bn, and many analysts expect the pressure to grow more intense in the months to come, assuming crude prices continue their upward movement.

The three biggest unions, for their part, yesterday confirmed plans for a four-hour general strike next Tuesday in support of claims in the wage contracts which have been under negotiation, in some cases for as long as four months.

Although in recent days some signs of progress have emerged in the most important of them—covering 1.5m metal and engineering workers —it is still far from certain that a final agreement will be reached before the summer break, as the unions are insisting.

The metal workers themselves are planning a mass rally of 200,000 of their members in Rome for June 22, to lodge their protest at what they see as foot dragging by the employers, particularly in the private sector.

Meanwhile, the political manoeuvring ahead of next week's assembly of the new Parliament continued yesterday as both Christian Democrats and Communists met to examine the implications of this month's general election results.

Sig. Benigno Zaccagnini, the Christian Democrat secretary, made it clear that his party would again propose a majority embracing the Communists of the type whose collapse last January provoked the election.

However, the Communists are widely expected to reject anything short of direct participation in Government. It is at that point that detailed bargaining will begin.

W. German cost of living up by 3.7%

By Jonathan Carr in Bonn

THE WEST GERMAN cost of living rose again in May, adding to official fears that inflation is again emerging as the chief danger to sustained domestic economic growth.

The Federal Statistical Office in Wiesbaden announced yesterday that living costs in May were up by 3.7 per cent against the same month last year. For April, the rise was 3.5 per cent, and for March 3.3 per cent. The average for the whole of 1978 was 2.6 per cent.

A key element in the current increase is the sharp rise in heating oil prices, which were up by 69 per cent in May against a year earlier.

Apart from the sharp rise in world oil prices in dollar terms, the relative weakness of the Deutsche Mark so far this year has added to West Germany's imported inflation.

While the price increase still looks modest by the standards of most industrial nations, it is none the less of deep concern to the West Germans. Dr. Otmar Emminger, the president of the Bundesbank, stated bluntly this week that the inflation danger had now become much greater than any possible faltering of economic output or consumer demand.

He warned that, if unchecked, the price spiral would produce much bigger wage claims this winter and put the achievement of years of West German stability policy in jeopardy.

Barre pledges action to ease effect of oil rises on economy

BY DAVID WHITE IN PARIS

M. RAYMOND BARRE, French Prime Minister, has pledged measures to offset the "depressive effect" of recent oil price increases on the economy this year and next.

The measures, which he said he would outline in greater detail in the next few weeks, are expected to involve selective government support in individual sectors. In a separate speech in the National Assembly he warned against "massive and global stimulation" for the economy.

The pledge comes as the Government has had to revise downwards its projections for economic growth.

M. Rene Monory, Economy Minister, confirmed that the Government was now working on the hypothesis of a 3.4 GDP growth rate this year, barely above last year's 3.3 per cent and below the 3.7 per cent forecast earlier.

Demand growth was expected to remain stable at 3.9 per cent, compared with 3.8 per cent in 1978, while exports were expected to increase by 6 per cent after a 7.1 per cent expansion last year.

For inflation, the official scenario uses a figure of 9.6 per cent, close to last year's although consumer prices are currently running at about 11 per cent above their level of a year ago.

Average hourly wages are expected to increase by 12.8 per cent compared with 12.6 per cent, while the wage-earner's average purchasing power is expected to progress by 2.7 per cent against last year's 2.8 per cent.

M. Monory said the trade account should be roughly in balance despite the extra weight of oil imports, after going into a FFr 2.5bn (£273m) surplus last year. Unemployment would continue to deteriorate, with the average employment total during the year rising by only 0.5 per cent.

Presenting a Bill on guidelines for France's 1981-85 national plan, M. Barre emphasised that the foreign trade balance and the stability of the franc "must be the cornerstone of our whole economic policy."

U.S. calls for OECD joint war on drugs

By Robert Mauthner in Paris

THE U.S. proposed yesterday that countries belonging to the Organisation for Economic Co-operation and Development should take joint action to fight the growing use of narcotics, which every year cause hundreds of deaths in the U.S. and Europe and mops up billions of dollars in health costs.

In a statement to the OECD Ministerial Council on the first day of its two-day annual meting in Paris, Mr. Warren Christopher, Deputy Secretary of State, said the use of narcotics was having "an alarmingly fast-growing impact on our economies and on the welfare of citizens."

The U.S. Administration estimated that the direct economic cost of illicit narcotics transactions in the U.S. alone was in the region of $40bn a year, not counting more than $10bn in social and health costs.

According to official statistics, the number of deaths in the U.S. from heroin abuse was falling, thanks largely to the Mexican Government's programme to stamp out the illicit production of opium. But in Europe the situation was getting much worse and, in West Germany, it was nothing short of dramatic.

Heroin deaths fell in the U.S. from 1,500 in 1976 to 420 in 1978, but West Germany recorded as many deaths as the U.S. last year from heroin abuse. Many of the victims, however, were members of the U.S. armed forces.

The U.S. suggested that the OECD's development assistance committee could play a useful role in persuading member-countries to provide aid to subsistence farmers, currently growing opium poppies, which would be used to develop the production of alternative crops.

Another proposal made by Mr. Christopher was that the OECD should compile international statistics on the use of narcotics and heroin deaths in member-countries.

Mrs. Mathea Falco, U.S. Assistant Secretary for international narcotics matters, said that Pakistan and Afghanistan had now become the area with the biggest production of illicit opium. Last year the two countries produced some 1,000 tonnes, twice as much as the so-called "golden triangle" of Thailand, Burma and Laos.

The Turkish Government had largely succeeded in restricting the production of opium for pharmaceutical purposes only, and Turkey was no longer a supplier of illicit opium.

Swiss bank secrecy may be eased

By Brij Khindaria in Geneva

THE LOWER HOUSE of the Swiss Parliament has approved a slight loosening in Swiss rules concerning help and information given to foreign governments seeking to recover funds illegally placed in Swiss banks by their nationals.

After a long debate the Lower House decided that in some exceptional circumstances Swiss authorities should co-operate with foreign governments in investigating bank accounts in Switzerland of foreign nationals accused of transferring funds obtained through fiscal fraud or tax evasion.

These elements will be included in a new bill currently under discussion. The matter has still to come before the Upper House. Co-operation could take the form of setting aside Switzerland's normally impregnable banking secrecy laws, but such co-operation would be offered only if the foreign national involved is convicted of fiscal fraud in his own country.

Existing Swiss laws dating back to 1892 forbid such co-operation but do not apply if a bilateral agreement is concluded with a country establishing information disclosures under exceptional circumstances. Such an agreement is in force with the U.S.

Belgium again raises bank rate

BY DAVID MARSH

BELGIUM YESTERDAY raised Bank Rate to 9 per cent from 8 per cent in a fresh bid to prop up the Belgian franc against the Deutsche Mark within the European Monetary System (EMS).

The rise, the third one point increase in bank rate since the start of May, together with support intervention by the Belgian National Bank, helped the franc make slight gains against the D-Mark on foreign exchange markets yesterday. But at its fixing rate in Frankfurt of DM 6.224 per 100 it was still very close to its lowest permitted limit within the system of DM 6.221.

Both the franc and the Danish krone have been languishing close to their EMS floors against the D-Mark for the past two weeks amid foreign exchange market speculation that the first realignment of currency parities within the scheme will shortly become necessary.

Belgium's interest rate move yesterday coincided with action by the Dutch Government to put an emergency brake on public sector spending to avoid the deficit in this area exceeding the limit of 6 per cent of national income.

The brake, involving measures to slow public spending and accelerate tax receipts, was announced by Mr. Franz Andriessen, the Dutch Finance Minister.

Rising public sector borrowing has been a principal factor undermining both the Belgian and Dutch currencies in the EMS in recent weeks. Although the Dutch guilder is still some way off its lower intervention point in the scheme, it too has fallen sharply against the D-Mark this month.

In a statement yesterday, M. Gaston Geens, the Belgian Finance Minister, said maintaining stability of the franc was the prime objective of government policy, and this would be reflected in the 1980 budget now in preparation.

The franc's weakness in the EMS has been aggravated by the sharpening of the West German Bundesbank's anti-inflation policies in the last few weeks.

The Bundesbank earlier this month raised Lombard rate, the rate at which it lends money to banks against the collateral of securities, a further ½ point, putting general upward pressure on interest rates throughout Europe.

Additionally, heavy dollar sales by the Bundesbank to prevent the D-Mark depreciating too far has been a major factor behind the sharp rise of the D-Mark against EMS currencies

Danes to curb spending

BY HILARY BARNES IN COPENHAGEN

THE DANISH Government has told local authorities they must cut real spending growth to 3 per cent next year—less than half this year's increase — in the first move in a campaign to bring the economy under control.

Further cuts in public spending and a steep increase in energy taxes are also believed to be under consideration.

Both Ministers and the Governor of the central bank have denied that a depreciation of the krone is planned. Last week the central bank was forced to intervene to prevent the krone breaching its EMS floor against the Deutsche Mark.

The austerity programme will be presented to Parliament on June 26.

Denmark's problem is its large net foreign debt and a deterioration in the current balance of payments deficit, brought about partly by oil price increases but also by a significant weakening of fiscal policy. A number of welfare reforms have produced unexpectedly rapid expenditure rises which have not been met by similar increases in revenue. Wage increases will also be faster than the Government hoped for a year ago.

'Welcome' for Irish pay limits

By Our Dublin Correspondent

IRISH EMPLOYERS have cautiously welcomed the Government's decision to impose a seven per cent pay ceiling in the public sector and encourage the private sector to obey the same limit for the rest of this year.

Mr. Dan McAuley, the director-general of the Federation Union of Employers, said the limit was now government policy, and it was not up to them to seek to re-negotiate it.

Gaullists criticise Chirac in election post mortem

BY DAVID WHITE IN PARIS

M. JACQUES CHIRAC, the Gaullist leader, has been put on his guard by the party after the poor results achieved by his controversial and aggressive campaign in the European election, which left the Gaullist RPR trailing France's other three main parties with 16.25 per cent.

Although, at its election post-mortem, the party gave him a unanimous vote of confidence, the meeting produced sharp criticism of his approach and in particular of his virulent attacks on M. Raymond Barre, the Prime Minister, and on President Valery Giscard d'Estaing. Gaullist MPs also pressed for a more active role in running the party.

The meeting was attended by Gaullist members of the Cabinet, who have been placed in an embarrassing position by the style of M. Chirac's campaigning. The RPR is expected, however, to stick to its policy of keeping Ministers out of the party leadership.

M. Claude Labbe, head of the Gaullist parliamentary group, said afterwards that the party's position within the Government majority would continue to be critical, but that it would be less aggressive in tone.

TV break-up attacked

BY OUR PARIS STAFF

THE RUNNING of France's state-controlled television channels, which President Giscard d'Estaing broke up into separate units five years ago in order to stimulate competition, is severely criticised in a report by a Senate commission of inquiry.

Presenting the report, Senator Jean Cluzel said the 1974 reform, which brought an end to the monolithic ORTF, had been "perverted in its application."

The report finds that the idea of competition between the three TV channels "is an illusion which has not stood up to practice."

The roles of the channels and of the TV production company, Societe Francaise de Production, are ill-defined and their aims uncertain, it says.

"In the absence of co-ordinated programmes," it says, "we have been moving towards a ratings race, with its corollary—a drop in quality."

The report also strongly criticises management standards and accounting practices.

The Senate commission puts forward a set of 30 proposals for improving French TV, including a reorganisation of the state's holdings, special tax conditions and better planning of programmes.

South African gold production maintains a rising trend

BY JOHN WICKS IN MONTREUX

GOLD production by South Africa may rise to some 715 tons this year, thus continuing the reversal in 1978 of the downward trend in mined production. This was stated at the Financial Times conference "World gold in the 1980s," in Montreux yesterday, by Mr. T. R. N. Main, of the South African Chamber of Mines. Present production levels were expected to be sustained through to the mid-80s, possibly reaching a stand of about 750 tons by 1985.

This trend, said Mr. Main, was likely to result from the expansion of certain productive mines and from additional output by new mines currently being opened. That would more than counter-balance any decline in production from some of the older units.

Thereafter most commentators considered that a fall in output could result, with production declining to about half the present level by the turn of the century. South African gold reserves were put by the country's Minerals Bureau at some 16,500 tons.

Mr. Main pointed out that producers' estimates of ore reserves were conservative in that they included only fully-developed or blocked-out reserves for current mining operations calculated at relatively low gold prices. "It is clear," he said, "that further development of the industry will take place if the price is right."

A "golding of America," was taking place, Dr. Henry G. Jarecki, chairman of Mocatta Metals Corporation, said. There had been a marked development in the U.S. gold futures business since autumn, 1977, and by late last year gold had come to account for 11.5 per cent of all futures trade there.

A typical U.S. commodities customer was interested in gold for less than 10 days, but substantial demand existed at all times. The current price level was linked to facilities offered by the futures market. "Anyone whose money is worth more than 10 per cent to him in his pocket is better off in gold futures than in physical gold," Dr. Jarecki said.

A temporary peak in the gold price to coincide with the June 26 conference in Geneva of the organisation of Petroleum exporting countries was forecast by Mr. Charles R. Stahl, of Economic News Agency. However, Mr. Stahl contended that any move above $300 was unjustified. "There is no

shortage of gold, and there will not be any for decades." Talk by uninformed market observers that the gold market could be cornered was a pipe-dream.

Mr. Stahl said he believed those paying close to $300 would be making a very risky investment. They would probably have to see the price of gold go substantially lower before the next cyclical upward movement began. The next decline in the price, he claimed, could be to the $243-$245 bracket, at best, and possibly to $220.

Gold should continue to fulfil its function as a long-term inflation hedge and emergency asset, said Dr. Eric Gasser, managing director of J. Henry Schroder Bank AG, Zurich. For conservative private investors looking for long-term insurance, a share of five per cent of portfolio assets was frequently given as desirable, but a percentage of total net assets would be more relevant. The quantitative decision would be left very much to the client.

As far as gold as a performance-oriented asset was concerned, Dr. Gasser recommended the maintaining of present positions. "To a newcomer with medium-term investment objectives, I would still suggest that he should gradually build up a five to ten per cent position in gold, but this should be done carefully because the current price level is vulnerable in the short-term and there should be cheaper buying opportunities in the near future."

The Middle East is more important than ever as a centre of gold consumption, according to Mr. Timothy S. Green an author. Taking this area to include the Arabic-speaking countries, Iran, Turkey and the Indian sub-continent, he said some 350 to 400 tonnes of new gold had passed through the Middle East over each of the past three years.

With regard to speculative and investment purchases there had been no massive switch into gold but there was a growing trend in this direction. Volume was likely to continue relatively high Mr. Green said, though not at the very high levels recorded in 1976 and 1977, when consumption (including that of Italian jewellery) approached an annual volume of 450 tonnes.

In the current year, he pointed out, demand for gold had fallen in view of higher prices and the Iranian situation. At prices between $280 and $300, there might be some profit-taking sales of Middle Eastern jewellery, the call for which had also declined with the end of the construction boom in the area.

Imports of gold into Hong Kong, which have averaged about 50 tonnes a year, were increasing, Mr. Woo Hon F[illegible] president of the Chinese Gold and Silver Exchange of Hong Kong, said. In the first quarter of 1979 alone, imports were more than 30 tonnes. Daily volume was now about [illegible] ounces.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

Suarez seeks Socialist support over autonomy

BY OUR MADRID CORRESPONDENT

RIME MINISTER Adolfo iarez yesterday met Sr. elipe Gonzalez, parliamentary ader of the opposition Socialist arty, for what are believed to ive been talks on the teriorating situation in the asque country.

The government's representa- ve in Navarre, meanwhile, has inned the National Basque ssembly called by the radical itionalist coalition Herri itasuna in Pamplona this inday.

Both Sr. Suarez and Sr. Gon- lez refused to comment on eir meeting, but the Govern- ent is believed to be seeking bipartisan approach to the asque and Catalan statutes of tonomy, due shortly to be ven a first reading in Parlia- ent.

The governing UCD party is lding daily meetings to dis- ss the draft Basqe statute, pre- red last year by MPs from e region. The Government has another week in which to present amendments, and it is thought that it will claim that at least 20 of the draft statute's articles are unconstitutional.

The Herri Batasuna rally has been called to present a counter-statute which recognizes Basque sovereignty. This has also been declared unconstitutional, and the Civil Governor of Navarre has ruled that the coalition was a legal entity only during the general and municipal election campaign.

Herri Batasuna, which is supported by Eta-Militar guerrillas, gained four seats in Parliament and nearly 700 aldermen in those elections, becoming the second Basque political force after the mainstream Partido Nacionalista Vasco (PNV).

Two related events rounded off a tense day in the aBsque country.

ETA's politico-military wing, ETA (P-M), which earlier this week released unharmed the Industry Ministry's delegate in Navarre after a five-day kidnapping, announced that all government officials in the Basque country have been condemned to death.

ETA (P-M) reaffirmed its support for the draft statute in Parliament, while its political counterpart, EIA, which has one seat in Parliament, has said in an internal document that it will take up arms if the statute is substantially modified.

The second event comes in the wake of Sunday's police killing of a young homosexual in the border town of Irun. The Civil Governor of Guipuzcoa province has announced that the policemen responsible had been arrested, and that the police commander, who subsequently broke up a town council meeting called to protest about the killing, had been removed from his command.

PANISH ROYAL VISIT TO MOROCCO

King wages peace

BY DAVID GARDNER IN MADRID

NG JUAN CARLOS of Spain s out today on a three-day it to Morocco, at a time when ations between the two coun- es have reached a new low. incipally because of their iflicting interests and ategy over the former anish colony of the Western iara.

The Moroccans have been ging an increasingly difficult i expensive war against errillas of the Algerian- ked Polisario Front, who ve been fighting for Saharan ependence, ever since Spain ided over its former colony Morocco and Mauritania in 5.

he agreement was signed in middle of the crisis created General Franco's death and ler strong Moroccan pressure. ince then, Spanish diplomacy opted for a negotiated settle- nt to the war which would ude the Polisario. In the t 18 months, Spanish officials e repeatedly stressed that in does not regard the pro- of decolonisation complete il the Saharan people can ly exercise their right to -determination, under the ns of UN resolutions dated m 1976.

he strongest manifestation of in's new Maghreb policy ie during Prime Minister olfo Suarez's visit last month Algeria. While there, he met isario leader Mohammed lul Aziz, in Spain's most overt t of stance since the govern-

King Juan Carlos

ing Union de Centro Democratico recognised the guerrillas last year.

The visit immeasurably improved Spanish-Algerian relations, but did not convince Morocco that Spain sought equally cordial relations with all its southern neighbours.

The Moroccans renewed their campaign of harassment against Spanish vessels fishing in Moroccan waters and revived its dormant claim to Spain's two North African enclaves of Ceuta and Melilla.

Sr. Suarez's government, however, is thought to be more concerned by the future of the Canary Islands. Algeria's opposition to the Sahara settlement and support for Polisario, led it to back the Canary Island separatist group MPAIAC. As a result, Spanish diplomacy occupied most of 1978 in heading off an Algerian bid to have the Organisation for African Unity's liberation committee recognise the Canaries as African.

Though the MPAIAC melted when Algerian backing was withdrawn, the subsequent rise of nationalist groups with a wide popular base in the islands is causing the Government deep concern. The Union del Pueblo Canario, which calls for self-determination for the islands, came second in April's municipal elections there.

Spanish Foreign Ministry officials indicate that none of the controversial issues at stake between Spain and Morocco will be tackled by King Juan Carlos, but instead by Sr. Marcelino Oreja, the Foreign Minister. No joint communique is expected and the visit is being played by the Spanish side as a low-key protocol affair.

However, it is not ruled out that the bilateral fishing agreement, the one apparent gain for Spanish diplomacy from the 1975 agreement, will finally be ratified. Little is expected on the trade front, though Morocco is a natural trading partner for Spain, which has multiplied its Moroccan sales five times since 1974.

Czechoslovak authorities plan large-scale human rights trial

BY OUR FOREIGN STAFF

E CZECHOSLOVAK authori- s are preparing for their gest trial of human rights ivists since 1972, according reports reaching London.

On May 29, 10 members of Committee to Defend the justly Prosecuted (VONS) re arrested. The 10 include official spokesmen of the arter 77 human rights group, . Vaclav Benda and Mr. Jiri enstbier.

The authorities are rapidly eparing to lay charges against the 10 and one other member of VONS arrested in March, according to a statement since put out by VONS.

This statement is its 115th since VONS was founded in April 1978, an indication of its spate of activity. While the better-known Charter 77 group has concentrated on seeking to oblige the authorities to respect the UN Covenant on political and civil rights, which they ratified in March 1976, VONS has concentrated on the arrests carried out, in particular of signatories of Charter 77.

Mr. Jan Kavan of the Palach Press Agency, which was founded three years ago to spread information on Czechoslovakia and Poland and to place manuscripts with Western publishers, says that the embarrassment to the authorities caused by VONS's evidence of "judicial persecution" is one of the reasons why its members have now been arrested.

According to VONS, its members will be charged with subversion of the republic and face up to five years' imprisonment—though in the case of Mr. Petr Uhl, his telephoning of documents to the West means he may be charged with "acting in collusion with Western powers" and face up to 10 years' prison.

VONS, which corresponds to the Self-Defence Committee in Poland, has details of 60 signatories of Charter 77—though in a television interview filmed before his arrest Mr. Benda claimed that several hundred signatories had been arrested.

Charter 77 has just published a document on the economic effects of the massive purges of officials and employees carried out in 1970 and 1971; it argues that these are largely responsible for the way that, despite Czechoslovakia's relatively advanced industrial base, its productivity is low.

The group has usually had three official spokesmen. Apart from the two—also members of VONS—recently arrested, a third of its spokesmen, Mr. Jaroslav Sabata, is also in prison.

Professor Jiri Hajek, the widely-respected former Foreign Minister, and Dr. Ladislav Hejdanek have just been appointed as spokesmen. The recent beating up of Mrs. Zdena Tominova, a prominent member of Charter 77, is an indication of official concern in this area.

Of the VONS members arrested recently, probably the best known is Mr. Vaclav Havel, a playright whose work has appeared on the BBC and in London theatres. A film of police surveillance of his house was recently smuggled out of Czechoslovakia but the Palach agency say that it has been mislaid.

One prominent Czech dissident exile, Mr. Jiri Pelikan, has just been elected to the European Parliament, on the Italian Socialist Party list.

Russians halt exile's family

MOSCOW — Soviet airport officials yesterday prevented the family of exiled Pastor Georgi Vins from leaving to join him in the United States.

The wife, mother, niece and five children of the dissident Baptist were clearing customs at Moscow's Sheremetyevo Airport when a last-minute problem arose.

Reuter

New accord may solve crisis in Portugal

By Jimmy Burns in Lisbon

AN ATTEMPT by Portuguese President General Antonio Ramalho Eanes to find a solution to the country's government crisis that would not involve the dissolution of Parliament appears to be gathering convincing support.

This emerged yesterday at the end of a first round of talks between the President and the parties aimed at ending the crisis caused by the resignation last week of the 6 month old non-party Government led by Dr. Carlos Mota Pinto.

A statement issued yesterday by the national executive of the Socialist Party, Portugal's major parliamentary grouping, came out firmly against an autumn election.

It said that this would not be an "appropriate solution" and called instead for a new agreement between the political parties. This would be a basis for the formation of a new government capable of ruling the country until the middle of 1980 when the next legislative elections are due.

Tentative backing for the idea of a new government has also come from the Communist party and from 37 independent deputies who recently split from the centre-right Social Democrat party.

Both the Social Democrats and the Christian Democrats have consistently called for an early election, although the final position of the Social Democrats is not expected to be decided before the party's national congress this weekend.

With the outgoing government remaining in office in a caretaker capacity, Gen. Eanes appears bent on continuing with his leisurely approach to the crisis, rather than being rushed into a quick decision.

EEC BLUEPRINT URGES COMMON ENERGY STRATEGY

Brussels bid to avoid the crunch

BY GILES MERRITT IN BRUSSELS

ENERGY EXPERTS at the European Commission have drawn up a detailed strategy to 1990 that could be the blueprint for averting a crisis. Whether it will become the basis of a concerted EEC energy policy, however, is another question altogether.

For, viewed from Brussels, the energy outlook has been going from bad to worse, with lack of political will among member governments cited as the main stumbling block to progress. The Commission has openly clashed with national capitals on the optimism of their assumptions on energy trends, and privately shows little confidence in their overcoming various national objections to a common energy programme.

The medium-term strategy, which was discussed yesterday by the 13-member Commission and is to be submitted to the Council of Ministers, represents a Brussels bid to improve matters. The documents outlining the options open to the Community make interesting reading. For they make the warning noises that EEC member governments have so far preferred—usually for domestic political reasons —not to make themesives.

The fundamental warning contained in the Commission report is that economic growth and increases in energy consumption are so closely linked at present that the EEC must either overhaul its energy habits or re-examine its economic growth targets. Working on existing energy consuming patterns, there is the risk of a serious energy gap by 1990.

The Commission forecasters are, therefore, questioning the targetted average increase in Community growth rates of 3.9 per cent annually during 1978-80.

They say that the 0.8 ratio between gross energy consumption and economic growth that was agreed last July by EEC heads of government should, in the light of the latest projections, be reduced still further. They believe that it should be pegged to 0.7 now, and for 1986-90 cut further to 0.68.

The message is clear enough. The energy problem will be putting a brake on growth—even though the coming decade is one in which high growth rates seem essential to help solve the looming jobs crisis—that could see unemployment in the Community rise from around 6m at present to 15m in 1985.

Nor is the problem even that straightforward. For one important point that Commission officials are now making is that although slower GNP increases might help restrict rises in energy demand, a fast rate of growth is needed if European industry is to make the profits needed for investment in energy-efficient equipment.

Worrying as these predictions are, the Brussels Commission is stressing that they are based on a comparatively optimistic scenario in which the Nine will have implemented an energy conservation and development programme that by 1990 will have cost approaching £250bn.

The Commission is urging that oil imports should, in effect, be frozen, so that by 1985 they will still be at last year's level of 470m tonnes.

The Community's present total energy requirement is 970m tonnes of oil equivalent, and with the projected figure for 1990 showing a rise to 1.39bn tonnes of oil equivalent, the strategy for bridging that gap is a massive increase in nuclear and coal-burning power stations.

Public opinion after the Harrisburg reactor accident in the U.S. has knocked the breath out of the nuclear industry, while EEC partners' reluctance to base energy development on the use of plentiful but expensive British and West German coal has led to a comparative drop in coal-based electricity. Commission officials are, nevertheless, insisting that by 1990

Dr. Guido Brunner

the two energy sources must produce 70-75 per cent of all electricity in the EEC.

For nuclear power to meet the goal of producing 140,000 MW by the end of the next decade, an accelerated programme putting 15 major nuclear power stations into service every year will be required.

The Commission report also emphasises that more determined energy savings are needed. The Community is slightly behind on its present 10-year programme for making savings of an overall 15 per cent by 1985—savings are currently running at 1.4 per cent a year instead of 1.5 per cent—but member governments are to be urged to fix even more ambitious targets soon.

Other measures being put forward include considerable increases in taxation on energy, and the setting of goals for petrol consumption of cars. A study of the effects of various fiscal measures that could be taken, notably much higher taxation on fuel and cars, is now being put together by the Commission.

What effect the Brussels Eurocrats' dire warnings will have on EEC governments remains to be seen. Next week's summit meeting of EEC heads of government in Strasbourg is expected to concentrate on energy questions, and will have the added impetus of the call for a grand design on energy that has now been made by Herr Helmut Schmidt, West Germany's Chancellor. But in Community politics there is often a wide gap between agreement that something should be done and a decision on what should be done.

The outstanding issues of an EEC coal policy, refining capacities, access to North Sea oil, subsidies and pricing problems, border construction of nuclear reactors and the development of national nuclear industries all stand between the Nine and a common energy plan.

The relationship between EEC member governments and the Commission is not always an easy one either. Dr. Guido Brunner, the EEC Energy Commissioner, sees his directorate as a central clearing house for information, and increasingly for policy studies. But tempers flared recently when Dr. Brunner revealed that the Nine were this year achieving only a 3.5 per cent reduction in oil consumption rather than the 5 per cent target.

Gen. Magnus Malan: a rare pronouncement

S. Africa's war for black opinion

By Quentin Peel in Johannesburg

IN A RARE public-speaking engagement, General Magnus Malan, Commander of the South African Defence Force, and possibly the most influential adviser of Mr. P. W. Botha, the Prime Minister, yesterday outlined his vision of the total onslaught which South Africa can expect.

He said that a conventional military threat "in the not too distant future" could not be ruled out, but he stressed particularly the psychological war being waged for black opinion.

The General, appointed chief of the Defence Force at the age of 46, nearly three years ago, is widely regarded as architect of Mr. Botha's "total strategy" for the defence of South Africa.

"This confrontation that is being waged against us, though undeclared, covers the full spectrum of all the ways and means at the enemy's disposal in the economic, diplomatic, psychological and military fields," he told a conference in Pretoria.

"The present strategy of our enemies is to create uncertainty, unrest and anarchy in order to pave the way for revolution backed by sabotage, intimidation and military operations."

"The military struggle is important, but when the battle for the soul of the population is lost, everything is lost," he said. "The insurgent forces have no hope of success without the aid of the local population."

He went on to outline the Government's intention of moving away from racial discrimination, so as to give members of other racial groups "something to strive for, to live for and to fight for."

Tories follow Labour line in blocking oil for Israel

BY DAVID LENNON IN JERUSALEM AND ANTHONY McDERMOTT IN LONDON

THE THATCHER Government is maintaining the policy of its Labour predecessor in refusing requests from Israel for supplies of North Sea oil.

The Labour view was that North Sea oil should go first to domestic requirements and then to members of the International Energy Agency. Israel, it is understood, was not explicitly excluded but it was made clear that oil was not available.

The U.S. is understood to have tried to persuade Britain to supply oil to Israel. The U.S. is under an obligation to provide oil for the Israelis, but no request has been made so far.

In an interview with the Financial Times, Mr. Yitzhak Modai, Israel's Energy Minister, refused to confirm that a request to Britain had been made. He said: "We still hope that North Sea oil will be made available. There is nothing final in politics and the Labour Government's refusal was based on politics, not economics."

The Minister criticised the West for failing to take any measures to end current confusion in the world oil market. He said political intervention and, possibly, economic countermeasures were required.

Mr. Modai said that the International Energy Agency had failed to prove itself. "It is a defensive system, not an offensive system. They set up committees and hold meetings and the more they meet, the worse the situation gets."

The Minister said that Israel, which received 60 per cent of its oil from Iran before the revolution cut off supplies, is facing a serious situation.

More than 50 per cent of its supplies are covered by renewable contracts with Mexico and the output of the Alma field in the Gulf of Suez. Egypt has agreed to continue the Alma supply after the field is handed over in November.

But the rest of Israel's oil is purchased on the spot market, and Mr. Modai said: "The situation is complete chaos. I get telephone calls two hours apart and the price jumps by 15 or 20 per cent."

Israel was in the same situation as other oil consumers in this respect, he said, and because of this was anxious that the West should create some sort of a framework for the world market "where you know the rules that act upon it."

The Minister said that he did not see much chance of this happening. While the U.S. and Japan might favour some tough action, he doubted whether Europe had the will power.

Economic measures like putting a ceiling on the import price or co-ordinating purchases would not be enough. Intervention would be required such as that used by the U.S. towards the Soviet Union "when they wanted to get SALT-2 on the way or to get Soviet Jews released."

Indian special courts call for Gandhi case papers

BY K. K. SHARMA IN NEW DELHI

MRS. INDIRA GANDHI, whose fortunes have been on the decline since she was imprisoned for a week last December for contempt of Parliament, now faces the danger of a longer spell in jail. Special courts established by the Government to try her and her associates for alleged crimes and abuse of power during her emergency rule have now started work.

Three cases have been taken up by the two special courts and Mrs. Gandhi is the main accused in two of them. These relate to acquisition of vehicles from businessmen for election purposes in 1977 and alleged harassment of officials who were thought to be impeding a project involving Mrs. Gandhi's son, Sanjay.

The cases have already been filed in ordinary courts. The special courts yesterday asked the judges to transfer all records to them. After scrutiny of the papers, proceedings are expected to begin, possibly next week.

The special courts were set up to circumvent long judicial delays. Their only business will be to try Mrs. Gandhi, Sanjay, former Ministers and aides named in reports by commissions which inquired into alleged excesses during the emergency.

Safety first choice for successor to Vorster

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S ruling National Party has nominated Senator Marais Viljoen, former Minister of Labour and president of the Senate, as candidate for the state Presidency to succeed Mr. John Vorster, who resigned over the information scandal.

Senator Viljoen, whose election as President will be a formality, is a long-serving party man, with the sole distinction of having been a co-founder of the party's youth wing.

His nomination is, clearly, an attempt to put a relatively non-controversial figure into the Presidency. The alternative, of backing the candidacy of Sir De Villiers Graaff, former leader of the Defunct United Party, was rejected by the National Party caucus, although it was proposed by some sections of the National Party Press.

Senator Viljoen is a member of the Transvaal National Party, and therefore provides a token balance to the Cape leadership of Mr. P. W. Botha, the Prime Minister. More important, his elevation provides a vacancy in the political hierarchy which will give M . Botha greater flexibility in the Cabinet reshuffle he has to carry out soon.

Jordanians curb bank lending

By Rami G. Khouri

JORDAN'S Central Bank has imposed a series of monetary controls to reduce inflationary pressures by curbing commercial bank lending.

A Central Bank circular sent to all commercial banks raises their minimum reserve requirement from June 15 by 1 per cent, bringing it to 16 per cent for demand deposits and 13 per cent for savings and time deposits.

The second measure puts a ceiling of 70 per cent on the banks' credit-deposit ratio, though this does not come into effect until August 15.

During the first quarter of this year, commercial bank credits have been growing at nearly double the rate of last year. This partly reflects the sharply rising liquidity of the Jordanian economy. From March, 1978 to March, 1979 total money supply, M2, rose by 32 per cent, reaching 661m dinars (£1.04bn).

Commercial bank credits have risen at double this rate,

Ghanaian promise

GHANA revolutionary government, which seized power on June 4, will honour its international financial and contractural agreements, monitored in London, Accra Radio yesterday. The radio also said the country's existing foreign policy woul dbe maintained.
Reuter

Buying a stake for the locals

The Malaysian Government is actively interven-ing in the ecenomy to create a bigger share for the Malays, while trying to maintain a capitalist structure. PHILIP BOWRING, recently in Kuala Lumpur, reports on the way practice is diverging from theory.

MALAYSIA has always been regarded as a model of a successful capitalist developing economy. But it is being increasingly asked whether the radical social engineering goals pursued by the Government are compatible with the private sector's continuance as the mainspring of the economy.

The recently-published mid-term review of the third Malaysia plan (1976-80) suggests that however much the Government may want to encourage the private sector, the priority accorded to social restructuring is leading to remorseless growth of the state sector.

Malaysia is now nearly half way through its 20-year programme, 1970-90, to improve social and economic development and to end the identification of race with economic function — specifically of the Chinese with business and industry. The new economic policy, as it is called, was the response to disastrous race riots in May 1969.

The vast distance to be travelled is indicated by the fact that in 1970 Bumiputras (Malays and other indigenous people) accounted for 51 per cent of the population but owned only 2.5 per cent of share capital and had 3.4 per cent of outstanding bank credit.

The NEP had two underlying assumptions: Fast economic growth which would enable the Malay share of income and wealth to be increased without taking away directly from other races. And, secondly, that Malaysia would remain an open capitalist economy with the Malays joining the ranks of share-owners and entrepreneurs. A key target was 30 per cent Bumiputra corporate share ownership by 1990.

During the first five years of the NEP, Government increased its own development spending by an annual 17 per cent as efforts were made to improve education, open new lands for Malays and otherwise help NEP goals. At the same time the Government funded a number of enterprises to acquire assets in trust for the Malays. One of these was Pernas which now controls a large part of the tin industry and is the largest shareholder in Sime Darby. During this period the State also increased its role in industries ranging from shipping to banking. By 1975 (private in-vestment had fallen to 62 per cent of total investment from 70 per cent in 1970.

In the third Malaysia plan, however, starting in 1976, the Government aimed to reverse the trend and to rely on the private sector as the main spring of growth. Private investment was intended to grow at nearly 10 per cent compared with only 6 per cent for the public sector.

But things have not worked out as planned. Economic growth was 8.7 per cent a year in 1976-78. But a large part of this success was due to growth in the oil production, which was omitted from the plan. Oil is effectively controlled by the state through Petronas, the state oil company. Excluding oil, private investment rose only 7.1 per cent in 1976-78

This week performance was partly due to private sector unease over allegedly heavy-handed implementation of the NEP and intrusion into private business. The government has gone out of its way to dispel these fears but, rational or not, they still exist.

Weak world economic conditions and capacity hanging over from the 1972-74 investment boom, are also to blame. Big gains in household and corporate incomes in the past three years, due to favourable prices for most of Malaysia's commodities, have been mostly reflected in steep rises in consumption and an apparent large outflow of private capital.

The predictable result has been that to maintain growth momentum, the Government has stepped up its own development spending, aiming for a rate of increase of 11 per cent in 1978-80, nearly double the plan's original target.

The rise in government outlays has meant that it is moving into an ever more powerful position in an area of the economy still classed as private.

According to latest esti-[illegible] during 1976-80 the public sector will contribute nearly half the domestic finance for "private sector" investment through institutions such as the state economic development corporations.

The Government is also increasing its funding of institutions acquiring assets on behalf of Bumiputras. Total allocations for Bumiputra institutions has been increased from $1.7bn to $3.2bn.

The process of state acquisition, either direct of through Bumiputra institutions, of an increasingly large stake in the economy, would be slowed down by a revival of genuinely private investment in the productive sectors. But the process may be unstoppable in the context of the 1990 target of 30 per cent Bumiputra ownership.

That assumption was a bold one even under conditions of rapid private sector growth. The inescapable logic is that the slower the private corporate sector grows, the greater must be the degree of state intervention to acquire existing shares on behalf of Bumiputras. Thus quasi-Government bodies will acquire greater control over the private sector.

By last year the Bumiputra share-stake had reached only 10 per cent overall, of which only one third was individual, the rest being Government-funded trust ownership.

It will not be easy to quicken the pace without creating strains. Between 1971 and 1978 the foreign share of ownership of corporate assets declined sharply as a result of acquisitions of shares by all Malaysians in tin mining and plantation compnies. But the beneficiaries were non-Bumiputras (mostly Chinese) as much as Bumiputras. The non-Bumiputras stake went up from 34 to 43 per cent. The ownership gap between the two classes of Malaysians has thus been widening while the Bumiputra [illegible]

The only ready way out of that dilemma—without unduly upsetting non - Bumiputra Malaysians—is for the Government to speed up acquisition of foreign held assets by Bumiputra institutions.

At the same time the Government is beginning to think in terms of creating new state industries. The aim would be both to raise the rate of investment, and generate new opportunities for investment by the Government-funded Bumiputra institutions. Dr. Mahathir Mohamad, Deputy Prime Minister, has said that the government is considering the possibility of building a steel mill with investment coming from the Government, Bumiputra institutions and from overseas.

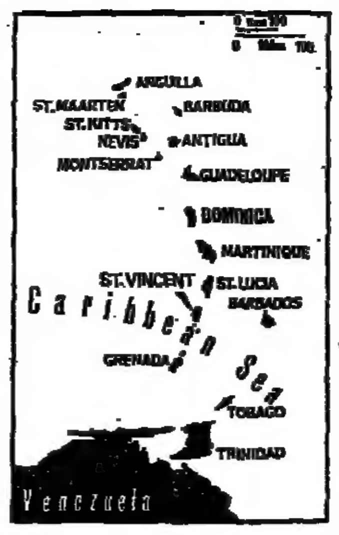
Betronas has plans for downstream petrochemical development in which Bumiputra funds might find a place.

None of this is necessarily undesirable. Private local capitalists have neither the money nor the expertise to move into heavy and capital intensive industry.

But combined with all the other forces at work it adds up to continuing strong growth in the state sector of the economy and, possibly, a misallocation of capital resources. It is a trend which is worrying many in the Government.

The trend need not worry foreign investors in new industries, who are given a genuinely warm welcome in Maleysia tas well as being accorded the usual tax advantages. It is a trend which could be slowed by a revival in private investment, a less buoyant Government revenue position, or by a redefinition of the modern sector of the economy which would show the Malays to control rather more than is apparent simply from share-ownership statistics.

But the dangers are real enough. The state sector does not have a good record of efficiency, and its expansion will further enhance the powers of patronage held by the Malay-dominated Government and administration. A situation in which the Chinese and foreigners were identified with private capital and the Bumiputras with a dominant state sector would be contrary to the basic objective of new economic policy.



Opposition mounts to Dominican Premier

By Tony Cozier

FOLLOWING THE overthrow in March of Sir Eric Gairy, Grenada's controversial Prime Minister, in the Commonwealth Caribbean's first successful coup d'etat, slogans immediately appeared on the walls of Roseau, capital of nearby Dominica, proclaiming: "Gairy gone. John next."

The intervening months have, indeed, been difficult for Mr. Patrick John, Prime Minister of the recently-independent island-state. Proposed new legislation to curb the powers of the unions and the Press has united political, labour, business and church groups in their demands that the John Government resign.

There have been protest demonstrations, some of them violent, in the streets of Roseau. A fortnight ago, a young man was shot dead by troops and an infant was suffocated by teargas fumes. The upshot was a general strike, now in its second week, which has brought virtually everything to a standstill. Like all the other islands in the Windward and Leeward groups, Dominica is in economic difficulties as it is.

Mr. John survived similar action a few years back after a dispute with his civil service and he is adamant that he will not yield this time. Yet it is difficult to imagine him lasting this one out.

New party

His Dominica Labour Party is now in a minority in Parliament. Mr. Oliver Seraphine, his former Agriculture Minister, who quit the Government over allegations of links with South Africa, is forming a new political party with the support of half the MPs who formerly supported Mr. John.

Mr. Seraphine has been nominated as Prime Minister in an interim Government that a "committee of national salvation" hopes to establish. The Committee consists of 30 representatives of the organisations, opposed to Mr. John.

Although the combined opposition is now in a powerful position, they will have to solve a complicated constitutional tangle before they can force home their advantage.

President Fred Degazon, the only man who can accept the Prime Minister's resignation, and the only man empowered to name a replacement, resigned after his advice to call elections was ignored. He has left the country and is believed to be heading for Britain.

Mr. Bersling Waldron, Speaker of the House of Assembly, has also resigned, making it difficult to call a sitting of Parliament at which a vote could be taken to force Mr. John out.

For his part, Mr. John, a diminutive ambitious 42-year-old former schoolteacher, contends that his party was given a huge mandate (17 seats to three) at the March, 1975, elections and will govern until new elections are due next year. He has, however, offered concessions to the opposition.

Bills shelved

The two contentious pieces of legislation have been temporarily shelved, he has agreed to allow United Nations supervision of the next elections and has promised an independent inquiry into the deaths of those killed in the demonstrations.

Mr. John's fortunes have declined sharply since the bizarre revelations late last year that he, Mr. Leo Austin, the former Attorney-General, and the Government were caught up in a complicated deal involving South African money in exchange for the establishment of an oil refinery in Dominica, the granting of concessions to an American company for the development of free port facilities on the north of the island and a plot to invade Barbados with an army of 350 international mercenaries.

Western intelligence services got wind of the Barbadian scheme and it never materialised. But there was strong evidence that the Dominica Government was implicated.

The extremely generous terms of the free port scheme brought widespread protests, culminating in large street demonstrations, and an embarrassed Mr. John was compelled to back out of the deal.

In the meantime, legislation was being drafted to amend the Industrial Relations Act so as to outlaw strikes in essential services, and to limit the freedom of the Press, which enjoyed a field day with the South African connection.

House expected to vote to lift Rhodesia sanctions

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Senate was expected to take formal action late yesterday to lift trade sanctions on Zimbabwe Rhodesia, with Mr. Tip O'Neill, Speaker of the House, predicting the House would follow the Senate lead.

This would put Congress on a direct collision course with President Carter, who has threatened to veto any anti-sanctions moves now. Mr. Cyrus Vance, the Secretary of State, who earlier this week urged Congress to stay in line with Britain and keep sanctions for the time being, yesterday said Congress should not intrude into the operation of foreign policy, an Administration prerogative.

But Mr. Vance took heart from the fact the Senate defeated late Tuesday, by only 52 to 41 votes, an attempt to modify a sanctions-lifting amendment to the Defence Bill. The Senate was likely to pass that Bill, with the sanctions amendment, later yesterday.

Even if the House, according to Mr. O'Neill's prediction, follows suit, there may not be the necessary two-thirds majority of both Houses to override a Presidential veto. Mr. Vance noted that the Tuesday vote showed more Senate support for keeping sanctions than appeared in a similar vote in May, and hoped that, as Mr. Carter's policy, which aims at close co-ordination with the new British Government, becomes better understood, this support would grow.

Mr. Vance said Nigeria had not told the U.S. it would cut off oil supplies if the U.S. lifted the trade boycott on Zimbabwe Rhodesia, as some reports had indicated. Supporting the President's decision, he again stressed the basic inequities to the black majority in Zimbabwe Rhodesia contained in the country's new constitution.

The U.S. is, however, to keep contact with the new Government in Salisbury through an official attached to its South Africa embassy, and Mr. Vance has promised to keep Administration policy under review, with monthly reports to Congress.

Two envoys have left Zimbabwe Rhodesia for the U.S. for talks about a possible visit to Washington by Bishop Abel Muzorewa, the Prime Minister.

Kennedy opposes health scheme

BY OUR WASHINGTON CORRESPONDENT

PRESIDENT CARTER'S proposal this week to the U.S. Congress for an $18bn national health insurance programme has run into sharp and predictable opposition from Senator Edward Kennedy, who has long championed much more extensive health cover.

The dispute seems at least to guarantee one source of rivalry between the two during the coming presidential election year, when the President will be hard put to unite his Democratic Party behind him.

Mr. Carter announced his plan, designed to cover the "most urgent needs" of sick Americans, at a press conference attended by several key congressmen and senators, such as Senator Russell Long, chairman of the Senate Finance Committee, which must approve any new insurance programme.

Their support is crucial, although White House officials recognise some compromise may have to be reached with Senator Kennedy, who chairs the Senate Health Subcommittee.

The Carter plan would cost the Treasury $18.2bn, and employers and employees would contribute a further $6.1bn. The government contribution would go to expanding the existing Medicare and Medicaid insurance programmes for the poor and the elderly, while the private contributions would finance a family's medical and hospital costs above $2,500 a year.

Both the Carter and Kennedy plans would begin in 1983, but that is about the only similarity. The major difference is that Senator Kennedy's plan would take effect at one go, and would cost around $35bn, while the President's proposal would be introduced in stages.

Senator Edward Kennedy

Vance minimises problems at home as summit nears

BY OUR WASHINGTON CORRESPONDENT

PRESIDENT CARTER was still strong enough at home to be taken seriously as a negotiating partner by the Soviet Union, Mr. Cyrus Vance said yesterday.

The Secretary of State rejected suggestions at a Press conference that President Leonid Brezhnev at this weekend's U.S.-Soviet summit in Vienna would see Mr. Carter as unable to deliver on his foreign policy commitments because of Congressional setbacks to his Rhodesia and Panama policies, and because of his low opinion poll standing in the country at large.

He rejected as "misguided and simply wrong" Senator Henry Jackson's public criticism that Mr. Carter was continuing a policy, begun by President Nixon at the 1972 Moscow summit with Mr. Brezhnev, of appeasement towards the Soviet Union that smacked of British behaviour towards pre-war Germany. Mr. Vance said that the Senator, one of the key opponents to the SALT treaty, had to realise that one side, the U.S. could not get all its own way in arms control negotiations.

While seeking to protect the Presirent's domestic flank in advance of the Vienna meeting, the Secretary of State nonetheless downplayed expectations of what the summit might produce in the way of concrete agreements with Moscow. He described the SALT treaty signing as being of "great importance," and hoped progress might be made in other arms control negotiations and bilateral issues such as trade.

U.S. Steel announces price rises

By Stewart Fleming in New York

UNITED STATES STEEL, the largest U.S. steel producer, has announced plans to raise prices by an average 3.5 per cent on a wide range from the Council on Wage and Price Stability (COWPS).

The council decision allows U.S. Steel and 11 oil and chemical companies to revert to the profit-margin test in complying with the Administration's wage and price policy. This allows companies to recover cost increases in their prices rather than meet the policy's requirements for slowing down price increases this year by a half per cent from the 1976-77 average.

Rising energy and oil costs appear to have been a main reason for granting permission for the change to 12 companies on the grounds that they are faced with uncontrollable cost increases. Other companies may now be able to make a similar case, which could further weaken the effect of the anti-inflation programme.

Those allowed to switch to the profit mragin test include Dow Chemical USA, Standard Oil of Ohio, Shell Oil and Westavco, as well as the chemical divisions of Standard Oil of California's Chevron USA unit, Mobil Oil, Pfizer and Ashland Oil.

The council also disclosed that about 200 companies have applied to switch to the profit margin test.

Faced with rapidly rising costs, the profit margin requirement is proving the more attractive option for many companies.

Chicago follows NY lead on prime rate cut

BY STEWART FLEMING IN NEW YORK

CHICAGO'S largest bank, Continental Illinois National Bank, announced yesterday that it would follow the lead of Morgan Guaranty Trust of New York and cut its prime lending rate from 11¾ per cent to 11½ per cent.

This confirmed expectations that the lower prime would spread through the U.S. banking industry. Many predict that Citibanw will follow suit at the end of the week.

The prime rate cut reflected both lower funds costs to the banks and recent evidence that the U.S. economy is weakening. It has ben a factor behind the rise in share prices on Wall Street this week and has served to underpin the month-long bond market rally in New York

Yesterday morning, however, there were signs of profit-taking in the bond markets after price rises which had seen yields on long-dated Treasury issues fall over 60 basis points in the past four weeks.

The bond markets' rise has been fuelled in part by hopes that a slowdown in the economy might ease. Tomorrow the Commerce Department publishes industrial production data for last month which should provide further evidence of the degree to which the economy is weakening.

Coast-to-coast-air fare cut to $89

BY DAVID LASCELLES IN NEW YORK

CUT-THROAT competition on the busy New York to Los Angeles air route has produced some of the deepest fare-cutting yet seen on U.S. domestic flights. A passenger who receives the full discount will, from next Monday, be able to make the 3,000-mile flight for only $89, just over a third of the regular $472 fare.

These cuts have been bought about by a series of unusual events.

One was the entry into the New York-California route of the World Airways an aggressive charter airline with a Lake-like reputation for taking on the big boys and cutting fares.

In April, World launched a $109.99 one-way fare (plus $3 for a meal), and was immediately deluged with business for its two flights a day each way. The company claimed at th etime it had calls "coming out of our ears."

Soon afterwards, four of the biggest U.S. domestic airlines, United Airlines, American Airlines, TWA and Pan American followed suit, with a $108 one-way fare. Then, last Monday, Pan America ntook an even bolder step; and slashed its stand-by fare to $89, including meals.

While all this was going on, United, the largest U.S. airline, was struggling to recapture the market share it had lost during a damaging 55-dag mechanics' strike. One of its ploys, which will last until next Sunday, is to give passengers a coupon entitling them to 50 per cent off their next United flight. Not to be outdone, American Airlines came out with a similar deal. (TWA also had one, but did not implement it dspite a full-page advertisement which appeared by mistak in a New York newspaper).

The latest twist came with Pan Am's $89 fare announcement on Monday. It said it would also honour the 50 per cent discount coupons issued by other airlines, starting next Monday, even though United and American will not start honouring theirs [illegible]

هكذا من الأصل

ran revolution disrupts V. German-Mideast trade

BY GUY HAWTIN IN FRANKFURT

ST GERMAN imports of oil n Iran—formerly the Federal public's largest supplier—fell 50 per cent in the first quar- of the year. In Deutsche k terms, they went down n DM 1.1bn ($575m) in the t three months of 1978 to 550.2m.

lowever, the Germans man- d to offset most of the decline ncreased imports from other le Eastern oil producers. ures from the German Near Midle East Association show e increases in imports from rain, Iraq, Kuwait and Saudi bia.

ltogether, oil imports from e four countries increased M 491.8m. The sharpest rise c in imports from Iraq which rose 363 per cent to DM 190.5bn.

Imports of Saudi crude rose by 38 per cent to DM 889m, while imports from Kuwait doubled to DM 192.5m. At the same time shipments of oil from Bahrain rose 66 per cent to DM 3.7m and purchases in Oman went up 18 per cent to DM 27.1m.

West German exports have also been profoundly affected by the revolution in Iran. During the first quarter German shipments to Iran were off 51 per cent compared with the same period of 1978.

They fell from DM 1.36bn in the opening three months of last year to DM 664.4bn. However, increased sales to other Middle Eastern countries helped greatly in offsetting the drop in exports to Iran.

Saudi Arabia has now taken over as the West Germans' largest customer in the area. Exports from the Federal Republic went up 20 per cent from DM 941.2m in the first quarter of 1978 to DM 1.13bn.

There was major growth in other areas. Exports to Qatar, for instance, rose 116 per cent to DM 52.69m, while sales to the United Arab emirates increased 28 per cent to DM 254.8m. Shipments to Israel also rose considerably—up 27 per cent to DM 310.7m.

However, overall exports to the area were down 8 per cent —from DM 4.64bn in the first three months of 1978 to DM 4.28bn—as a result of falling exports to other areas.

China signs oil exploration pacts

Y KEVIN DONE, ENERGY CORRESPONDENT

NA HAS signed a further h of contracts with some of world's largest oil companies reparation for its major pro- ame of offshore exploration oil and gas.

xxon, Texaco and Standard of California (Socal) of the and ENI, the Italian state ompany are among the latest p of companies that have engaged to conduct pre- nary seismic exploration largely in the area of the h China Sea.

xxon said that it will be loying two seismic vessels onduct its geophysical sur- in the South China Sea. The ey will take about 12 ths.

nder the agreement other panies might be able to ire some of the Exxon data. U.S. oil company will have e reimbursed, however, for of its costs and permission ll the data will have to be n by the Chinese.

e preliminary exploration racts give no guarantee to ern oil companies that they be able to undertake any equent drilling work. But n said that China had rtaken to invite competitive bids on areas that have been surveyed.

China had committed itself in negotiations with the oil companies to hold a first round of bidding for full offshore exploration licences within 12 months of the completion of the seismic port its ambitious programme of for further contracts in the next phase of exploration work.

Texaco, Socal and ENI have also been engaged to carry out seismic work in areas of the South China Sea. In earlier agreements other companies such as British Petroleum have received licences to work in the Yellow Sea.

China has not yet spelled out what access the foreign oil companies will have to any oil they find, but the industry is gambling on being offered some form of production-sharing contracts.

The main focus of the exploration work will be in offshore basins extending from the South China Sea and the Gulf of Tonkin in the south-west to the Yellow Sea and the Po Hai Gulf in the north.

China is seeking to press ahead as quickly as possible with the exploration programme in the hope that increasing oil export revenues will help to support its ambtious programme of industrialisation.

Nippon Steel contract reactivated

TOKYO Nippon Steel Corporation has announced it has reached agreement in Peking to reactivate a $1bn contract to build a steel plant at Poashan, near Shanghai.

Mr Eishiro Saito, the Nippon Steel president, and the China National Technical Import Corporation agreed that the contract be paid on a deferred basis instead of cash, half in yen and half in dollars, as stipulated originally and with a 10 per cent down payment.

The contract was among about 22 Japanese industrial plant deals worth a total of nearly $2.6bn that were suspended by China last February when Peking review its modernisation plans.

Reuter

TT SAFEGUARDS

Report opposes selective action

PATRICIA NEWBY

PERMITTING of "selec- action against imports a particular country or of countries under a T safeguards code is sed in a report published by the Trade Policy Re- h Centre.

e report, by Professor rt E. Baldwin, of the Uni- ty of Wisconsin, now acting consultant to the World , says that it is essential pressure be kept on im- ng countries not to seek sively protectionist con- nor maintain them longer necessary.

e Tokyo Round of the T talks was initialled in without agreement on a guards" code within le 19 which lays down rules mposition of import curbs protect home producers st market disruption or rious competition" by gn-made goods.

present Article 19 stipu- that emergency measures as the imposition of quotas be applied against all sup- s regardless of which one lieved responsible for the et disruption. In fact, the sion has not been used and rnments have gone outside GATT system and either tiated "voluntary" export aints or imposed unilateral is.

The EEC has been seeking a code, opposed by the developing countries, which would enable an importer to take action against just one exporter or group of exporters.

Professor Baldwin argues against selective emergency measures suggesting they are likely to become "utterly meaningless" as political pressure is exerted on the countries involved. Selective measures would also require greater confidence of signatory countries to respect GATT's principles and rules than has been possible in the past.

Governments wishing to introduce import controls without compensating foreign countries for their export loss should, he says, be required under GATT to outline measures to be taken to adjust the domestc industry so that imports could be gradually liberalised.

Not tying safeguard action, particularly quantitative import restrictions, to domestic measures that promote needed adjustment in the import-competing industry is a serious failure of the Tokyo Round negotiations, the report says.

Rich countries must help poorer countries to industrialise if there is to be long-run international political stability, but domestic pressures in the developed countries "will almost always be strong enough to continue the protectionist controls more or less indefinitely."

"Lack of political will" by national leaders is blamed by Professor Baldwin for the failure of the Tokyo Round to establish an international system that can cope with trade problems, especially the tide of protectionism sweeping the world.

National leaders failed to appreciate the extent of trade distortion and the dangers posed for international political stability and economic prosperity, the report comments.

To avoid what happened after the conclusion of the Kennedy Round negotiations in mid-1967 when "protectionist measures erupted on both sides of the Atlantic," the report recommends that GATT appoint a commission to immediately take stock of distortions, the effectiveness of existing rules for dealing with them, and the nature of the adjustment strains likely to be placed on the international economic system over the next two decades.

Robert E. Baldwin, Beyond the Tokyo Round Negotiations, Trade Policy Research Centre, 1, Gough Square, London, EC4, 47pp, £3.

Ohira to mediate in TV dumping fines issue

TOKYO — Mr. Masayoshi Ohira, the Japanese Prime Minister, has decided to try to mediate in the colour television dumping dispute between Japanese manufacturers and the U.S.

Mr. Ohira promised to help solve the issue to Mr. Toshihiko Yamashita, president of the Electronics Industries Association of Japan, when they met at the Prime Minister's official residence in Tokyo, an association spokesman said yesterday.

Mr. Ohira pledged to broach the subject when he meets President Carter in Tokyo this month. President Carter is visiting for bilateral talks and for the Tokyo Economic Summit of seven industrialised nations.

The dispute revolves around the U.S. demand that subsidiaries in the U.S. of Japanese trading houses and manufacturers pay a total of $46m for allegedly importing colour television sets at unfairly low prices for about two years until June 1973.

Most companies have been refusing to pay the anti-dumping penalties, threatening instead to go to court to settle the dispute. They claimed that the U.S. method of calculating the penalties is unreasonable. AP—DJ

Hong Kong to review EEC textile agreement

Hong Kong is advocating a a review of its current textile agreement with the EEC signed in 1970 arguing that quota cutbacks mostly benefited developed countries.

Mr. David Jordan, Director of Trade, Industry and Customs said that available 1978 import statistics for Britain tended to confirm that Hong Kong's former EEC textile quotas had been absorbed by developed countries including other member states of the EEC.

SOVIET TRADE WITH WEST

Compensation deals to be cut back

BY JOHN EVANS

DISCUSSIONS with Soviet officials over the USSR's medium to long-term economic plans up to 1990 make it evident that the rate of growth in Soviet trade with the West will slow substantially in the next few years, according to Dr. Lawrence Brainard of Bankers Trust Company of New York.

Dr. Brainard, senior international economist for the bank, was speaking in London after a visit to Moscow. He was a member of a U.S. delegation under a U.S.-Soviet agreement for bilateral exchange of economic specialists.

The Moscow discussions involved the Soviet five-year plan beginning in 1981 and initial disclosures about a long-term plan extending to 1990.

The slow rate of growth in Soviet/Western trade was evident in the planned number of trade deals involving compensation arrangements, Dr. Brainard said. In the 1973-76 period, Western companies completed 60 such deals.

"In the next five years, however, Soviet officials expect that only 15 new projects involving compensation agreements will be completed," the U.S. economist said.

He added: "The Soviet Union is showing particular caution in initiating large projects, in excess of $300m."

The problems for the Soviets did not involve credit, as Moscow would be able to obtain hard currency for large projects involving Western technology, Dr. Brainard said.

Instead, domestic planning difficulties seemed to stand in the way. Soviet decision-makers seem reluctant to commit themselves to large new projects when basic components of infrastructure, such as roads to a construction site and housing for workers, could not be assured.

Soviet planners indicated that projects for the chemicals industry would receive less emphasis, because of a shortage of petroleum feedstocks and because of adverse market conditions in the West for chemical projects.

In contrast, plans call for increased production capacity for consumer durables destined for domestic consumption, Dr. Brainard said.

Moscow officials indicate that energy development would now receive particular emphasis, with planned total Soviet energy production to increase, by the year 2000, to a level two to 2½ times that of 1975.

Projections show that the contribution of oil, as a sources of total Soviet energy output, declining from 35 per cent in 1975 to between 16 and 18 per cent by the year 2000.

While the share provided by nuclear power plants is expected to increase in the coming years, the major net contribution to Soviet energy over the period is expected to be in the form of natural gas.

Canada urged to exploit lower tariffs with U.S.

BY VICTOR MACKIE IN OTTAWA

CANADA HAS failed in attempts to develop a strong trading relationship with Europe and should concentrate on increasing ties with the U.S., Mr. Michael Wilson, the Canadian International Trade Minister said this week in his first public address since being sworn into office last week.

Mr. Pierre Trudeau, the former Prime Minister, initiated what was described as "the third option" in the early 1970s, saying Canada had to lessen its trade dependency on the U.S. by developing stronger ties with Europe.

"It hasn't worked," Mr. Wilson told reporters after his speech in Toronto to the Canadian Business Equipment Manufacturers' Association. "We've got to concentrate on our major market, the U.S."

He said the recently concluded GATT multilateral trade negotiations will result in lower trade barriers between Canada and the U.S. Canada should work to exploit that opportunity, he said, rather than to try to improve trade with other less wealthy nations.

Mr. Wilson said the role of his new portfolio is to help the Canadian business community in its international trade efforts.

He promsed the new Conservative Government would keep Government intervention in the private sector to a minimum and added that businessmen will be called upon to help draft legislation and regulations.

Mr. Wilson said it is possible to identify some legitimate reasons for Canada's recent poor trade performance. Most of the weakness was due to her trade with the U.S. A lower rate of real growth in the U.S. economy was a factor in the first few months of 1979.

Spain finalises trade agreement with EFTA

GENEVA — Spain and the seven nation European Free Trade Association (EFTA) have initialled the remaining provisions of a new trade pact.

The outstanding measures, which concerned trade between Portugal, an EFTA member, and spain, were resolved by making tariff reductions in Portugal come into effect more slowly during the agreement's first phase.

The overall agreement, due to be signed in Madrid on June 26, provides in its first phase that EFTA countries reduce duties on most Spanish industrial products by 60 per cent, and other products by 30 or 40 per cent.

Spain meanwhile will cut duties on some products from EFTA countries by 60 per cent, and on a large number of goods by 25 per cent.

Reuter

Greek island shipyard expands

BY IAN HARGREAVES

NEORION shipyard, on the Greek island of Syros, which was reopened in February, is now approaching the level of activity before strikes and other industrial problems caused its closure last year.

A and P Appledore, the London-based consultancy company which took over the management of Neorion in February, said yesterday that the workforce had now been expanded to 800 men, compared with 1,300 before the yard was run down.

The official inauguration of a new 40,000 deadweight tons dry dock for the yard is planned for September.

Breweries' loans attacked

BY PAUL TAYLOR

LOANS to brewery free-trade outlets are "potentially anti-competitive," and require further and more specific examination, the Price Commission said in its reports published yesterday on Bass and Whitbread.

The growing use of linking loans to clubs and other free trade outlets is one of the main areas of criticism in the reports. The commission also expresses concern over other matters, including the policy of both companies to finance capital expenditure from internal funds.

The report on Whitbread is the more critical of the two, and would perhaps have been even more severe had certain passages in the draft report not been deleted.

Whitbread, with a turnover of almost 660m in 1978/79, owns 15 breweries and is building another at Magor, South Wales. Over half the company's sales volume is to its own managed and tenanted public houses, and the remainder goes to the free trade.

More than 30 per cent of the company's volume goes to free on-licences so it puts greater emphasis on this part of the free trade than the industry in general. It promotes sales by a number of means, including the provision of loans.

Whitbread sees these loans as a major weapon in its attempt to gain market share in the free trade, and plans to increase its expenditure on loans. The commission, however, considered that the loans "are designed to inhibit price competition and that they would be better financed from external sources." It makes similar comments in the report on Bass.

The commission notes that Whitbread's profitability has increased substantially in 1978-1979, and was planned to increase by a further significant amount in 1979-80. It said the profitability level was adequate given the nature of the brewing industry and the competition.

After financing net investment of £202m, the Whitbread group had a cash surplus over the five years to 1978-79 of £39.3m. However, the original cash flow budget for 1979-80 showed an excess of expenditure of £33.2m over internally generated funds.

The commission accepted that the forecast cash flow was weaker than in the past, but said capital expenditure which was generating the cash deficit had added a substantial element to capacity.

The commission said: "It would be reasonable to plan to cover some part of this either from the company's cash in hand, or by further borrowing, rather than by seeking the recovery of all the sums involved through higher prices to current consumers."

The commission's general assessment of Whitbread is that it is an efficient company.

However, it expresses concern over the company's safety record, which it says compares unfavourably with the average for the industry.

The report on Bass, Britain's largest brewer with about 20 per cent of the beer market, concludes that the company is well managed and efficient. But the commission is concerned about the extent to which the company is seeking to recover labour costs, and the extent to which internally generated funds are being used for the expansion of free trade loans.

The net profit margin of Bass in 1978 was 10.7 per cent, and over the five years to September 1978, the company has generated a net surplus of funds of £51m.

The commission, once again said that where the company is embarking on expansion in the value of its business, an element of the expansion should be funded from external finance.

Price Commission Investigation Report No. 39 Bass Ltd.—Wholesale Prices of Beer and Prices in Managed Houses, and Report No. 40 Whitbread and Co. Ltd.—Wholesale Prices and Prices in Managed Houses of Beer, Wines, Spirits, Soft Drinks and Ciders: HMSO, £1 each.

Price Commission rejects 15% Welsh water rise

BY ROBIN REEVES, WELSH CORRESPONDENT, IN CARDIFF

THE Price Commission yesterday rejected the Welsh Water Authority's case for a 15 per cent increase in its charges for water and sewerage services in this financial year.

In one of its last reports before abolition by the Conservative Government, the commission recommends no further increases in charges beyond the average 12.5 per cent increases allowed on an interim basis during its investigations.

Since water charges can be altered only once a year, the authority had already indicated no further increases before April 1, 1980, and Mr. Nicholas Edwards, the Secretary for Wales, said there was therefore no question of an order being made.

The commission's report says that the authority faced a difficult task when it took over a diverse group of water and sewerage undertakings in Wales five years ago, and accepts that the authority has made good progress in cutting capital expenditure costs and improving the level of service to customers.

It is distinctly critical of several aspects of the authority's operations.

Control of revenue budgets, it says, leaves something to be desired. A delay in implementing re-organisation after 1974 meant "the authority's management structure and control is not as efficient as it might have been."

It urges the authority to look at the possibility of reducing both white-collar and manual employees in a review of staffing levels planned for the end of this year.

Sir Keith's regional tour starts

By John Elliott, Industrial Editor

SIR KEITH JOSEPH, Industry Secretary, begins a tour of the regions with a visit tomorrow to Scotland, where he will meet industrialists and union leaders and will visit shipyards and factories.

Details have yet to be settled, but he may start at the former Upper Clyde Shipbuilders yard, now Govan Shipbuilders, one of the main "lame ducks" of the last Conservative Government.

Its future and that of other parts of British Shipbuilders have yet to be decided by Sir Keith. At the yard he is expected to meet management and union representatives.

Later he will meet leaders of the Scottish TUC, Confederation of British Industry and Strathclyde Regional Council. He will also visit the Scottish Development Agency.

Last month Sir Keith announced that he would tour the regions before making important policy decisions on regional and industrial aid and on the future of the National Enterprise Board and the Scottish and Welsh Development Agencies.

Coal price to rise by £3 a ton

BY JOHN LLOYD

THE PRICE of coal to power stations, the steel industry and domestic consumers will rise on July 1 by between £2 and £3 a ton, the second increase in four months.

The increase in power station coal will average 12.5 per cent and will mean an increase in electricity prices of about 4 per cent in the near future.

In a strong statement yesterday the Central Electricity Generating Board said power station coal prices had risen 35 per cent over the last 18 months and the present increases "leave us no choice but to seek cheaper sources of fuel."

It is understood that the board is considering the long-term contracts for coal imports from Australia—from which it already takes over 1m tons—and Poland. These imports might amount to about 5m tons.

Sir Derek Ezra, NCB chairman has already written to Mr. Glyn England, chairman of the CEGB, to express his opposition to long-term contracts on this scale.

Hazel Duffy writes: It will come as a relief to industry and the consumer that neither the NCB nor the electricity industry is planning, at least at the moment, to accommodate its new cash limits by putting up prices.

REACTIONS TO THE BUDGET

Shoppers out in force to beat VAT increase

BY DAVID FREUD

SHOPPERS were out in force yesterday to beat the VAT increase which becomes effective on Monday. However, spending remained below the peak levels of the Christmas and sales periods.

The biggest rush was for drink and tobacco, where the VAT rate increases from 8 per cent to the new unified rate of 15 per cent.

Electrical goods continued to be in heavy demand, and there was some increase in sales of furniture and clothing, which had been relatively unaffected by the beat-the-budget activity over the last few weeks.

Victoria Wine, a subsidiary of Allied Breweries with 920 off-licences, said activity had picked up immediately after the Budget speech and that it had remained busy throughout yesterday.

The off-licence chain Augustus Barnett, with 180 branches, said trade had "increased phenomenally" since the Budget. The picture of heavy sales in drink was supported by Tesco and Harrods.

Shoppers seemed to be going for expensive items, regardless of whether they were already at 12½ per cent or the lower 8 per cent rate.

Rumbelows, the electrical appliance chain whose goods are mostly at the higher rate, said it was achieving record figures for the time of year, although demand was below the Christmas peak.

Clothes shops, where goods move up from 8 to 15 per cent on Monday, reported only a moderate increase in sales.

British Home Stores saw "a little uplift" yesterday and Marks and Spencer said the increase was "only marginal."

The big department stores said there was some evidence that shoppers were switching their attention from the electrical appliances which had seen most interest in the last week to furniture and expensive clothing like suits.

Selfridges said it was very busy, although spending was not as sales period levels. There was strong interst in clothing.

Debenhams said sales had been very good last week and a further improvement was expected this week. The emphasis yesterday was on electrical goods, furniture and textiles.

BL car dealers ready for last-minute sales rush

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MANY BL car dealers will take maximum advantage of any rush to the showrooms before increased value-added tax is put on prices on Monday.

Showroom stocks of Austin-Morris cars in particular are reasonable and dealers will stimulate last-minute purchases by advertising the savings to be made and by remaining open until late on Saturday evening.

Promotions will mention, for example, that the Mini 850 will go up by £147 on Monday, the Allegro 1300 four-door saloon by £195 and the Princess 2200 HLS by £352.

Many other dealers, particularly those handling Ford cars, are short of stock in the showrooms because of supply difficulties and extraordinary demand throughout the past two months. They will thus benefit little from any surge in buying at the weekend.

Some car retailers reported a slight increase in private-buyer interest yesterday.

However, the UK new-car market is dominated by company purchases: at least six out of 10 new cars are bought by companies or partnerships that are not affected by the VAT increase.

The percentage of private buyers may be expected to drop further in the wake of the VAT rise, which, when coupled with manufacturers' price increases this month, have added 12 per cent to the cost of an average family saloon in the past four weeks and 20 per cent since the start of the year.

Because the company car market is so strong, analysts have not significantly revised their forecasts about the possible outcome for the full year.

State aid cuts 'will hit big cities'

BY MAURICE SAMUELSON

SOME BIG cities will be "desperately hurt" by cuts in central Government aid, which could lead to sackings of teachers and reduced council services, Mr. Tag Taylor, chairman of the Association of Metropolitan Authorities, said yesterday.

The Chancellor's £300m cut in the rate support grant would mean a 5 per cent cut in the pay bill of the association's 36 members, who employ 40 per cent of the 2m local government employees in England and Wales.

The rate support grant accounts for about half the £13bn local authority spending.

Education took about 60 per cent of council's budgets, and three-quarters of the education bill went on pay and salaries. Some authorities had budgeted very tightly for 1979-80 and would be hurt "desperately hard." Most could "just about stand" the £300m reduction this year, but accepted it as nine months' notice of painful cuts for 1980-81.

The £300m would have to come from council balances, from which £500m was already being drawn. The problem would be made even harder by the 2-3 per cent additional inflation forecast by the end of 1979.

Petrol increase 'will work out at 12p to 14p'

BY SUE CAMERON

INCREASES IN petrol duty and value added tax will push up the price of a gallon of four-star by between 12p and 14p rather than the 10p mentioned in the Chancellor's Budget speech, Mr. Goldie Goldsmith, north-west regional chairman of the Motor Agent's Association, said yesterday.

The 7p-a-gallon increase in petrol duty and the 3p a gallon increase in VAT would add considerably to petrol station costs. He stressed that these higher costs would be passed on to motorists in addition to the basic 10p-a-gallon rise.

"The increase in duty and VAT will mean that garages will have to pay an extra £1,000 for every 10,000 gallons they buy in. This will have an adverse effect on their cash flow and it will mean many of them will have to borrow from their banks.

"Another point is that 1 per cent of the petrol they buy evaporates before they can sell it, yet the petrol stations will have paid duty on this already."

The increase in petrol duty came into force at midnight on Tuesday. The VAT increase does not begin until Monday.

In the South-West the Transport and General Workers' Union has started action against petrol stations which it considers to be profiteering.

It said similar action was likely to be taken by members in other areas.

The union said it was not trying to prevent petrol stations making a reasonable profit, but tanker-drivers had been asked to report cases of "blatant overcharging." If necessary tanker drivers would black garages profiteering.

The TGWU said that a day before the Budget it had been told of a garage in Teignmouth, Devon, charging £1.19 a gallon of four-star, and that the union persuaded it to reduce to 99p a gallon.

The Motor Agents' Association said that some 60,000 pumps could not be adjusted to show prices of £1 or more. They would show half prices and motorists would have to double the cost shown.

● A 50p fuel surcharge each way is to be imposed on certain Seaspeed hovercraft services from July 1. British Rail said it was because of oil price increases.

REACTIONS TO THE BUDGET

Brokers divided on chances of success

BY DAVID FREUD

NITIAL reaction to the Budget nong City stockbrokers was ixed. Most agreed that it 'presented a risky strategy in s inflationary content, but ere was disagreement over w successful it was likely to ove.

Phillips and Drew argued that ith inflation likely to be about or 16 per cent for most of xt year, the reintroduction of formal incomes policy was w in the balance for 1980.

More optimistic assessments me from Wood Mackenzie and pel-Cure Myers. Wood Mac-nzie said the policy offered e prospect of an economy in ich the private sector could expected to expand.

The switch in emphasis from e public sector was therefore justifiable risk."

Capel-Cure said it would ertainly not wish to subscribe a pessimistic view that a ge-cost spiral is likely." hile the inflationary content d obvious implications for the xt wage round, it detected a ong determination on the rt of the Government to here to strict limits on mone-y growth.

James Capel and Co. said t while the "courageous pitalist tone" of the Budget s encouraging, the immedi- outlook for company ofits, particularly in the pital goods sectors, had eriorated further. The dium-term threat remained our unrest, "but beyond t the prospects should be standing."

According to Kemp-Gee and the Chancellor's measures not add up to any radical inge in the general nature the financial environment. was a broadly neutral dget, which meant no nge in the modestly depres-sing outlook for domestic activity.

The firm said monetarists in the financial markets would be disappointed by the lack of a firm commitment to reduce the target for monetary growth, and the new 7-11 per cent, range "smacked more than a little of a faint heart."

Impact

Phillips and Drew argued that accelerating prices, combined with a deteriorating world background were likely to seriously undermine, if not totally engulf, policies aimed at maintaining firm monetary control through either a transfer of resources from the public to the private sector or in a shift from direct to indirect tax.

The overall deflationary impact of the Budget would depress GDP growth by ¾ per cent over the next 12 months and probably boost the number of unemployed by 100,000.

"It is extremely unlikely in the short-term, or even the long-term, that the policy mix will create sufficient incentives to offset significantly the aggregate adverse effect on domestic demand. Indeed, in so far as the shift from direct to indirect tax encourages saving and discourages spending, the short-term curtailment of activity will be intensified," said the firm.

The reads in company profits and liquidity were not likely to provide much encouragement for the market, it said.

On the basis of 15 per cent growth in earnings over the 1979-80 round and no deterioration of industrial relations, profits were forecast to grow by 10 per cent in 1979 and 1980. This meant the corporate borrowing requirement would rise sharply, concluded the brokers.

Capel-Cure Myers said the corporate sector's deficit had given cause for concern for some time and it was obvious that, in the short-term at least, the pressure on profitability would be intensified.

Wood Mackenzie argued that the risks arising from the Budget were of political repercussions and escalating inflation. The significant moves on public expenditure — particularly on cuts in employment subsidies and the maintenance of exacting cash limits—could cause a kick-back in terms of industrial production.

"However, the Government is going to exploit to the full the normal honeymoon period it can expect in the immediate aftermath of an election. It is also helped by the relatively favourable rnd in unemployment over the last year."

Hoare Govett described the Budget as "a bold and brave package." International reaction was likely to be favourable and the pound should respond well in the immediate future, it said.

State steel group forms consultancy

By Hazel Duffy, Industrial Correspondent

A CONSULTANCY group to carry out design audits on new and existing plant has been set up by the British Steel Corporation. It believes that this is the first time such a group has been formed in the UK on a commercial basis.

The group will use teams of engineers who will ensure that plant is operating at peak efficiency.

Their methods have been used in the Corporation for the past five years, and the aim now is to market the skills more widely.

Any type of plant will be eligible and the group expects to win business worldwide. It is aiming for an initial turnover of £500,000.

The group has been formed jointly by the unit inspection company, part of BSC tubes division, and engineers from the Corporation's engineering centre. It will be based at Kingston-upon-Thames.

The team will conceive and develop new plant where necessary. Its work will complement the advisory role on new steel plants performed by BSC overseas division, the audit group studying designs for cost-effectiveness before the plants are built.

London transport fares 'up again in September'

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

FARES ON London's buses and underground trains will have to be increased by at least 12 per cent in September, according to Mr. Horace Cutler, leader of the Greater London Council.

That would mean a rise over the whole year of almost 20 per cent, since fares are to go up by 7.5 per cent on Sunday, the day before underground workers plan to strike over a pay dispute.

Mr. Cutler said that the second round of fare increases would be necessary on the basis of the 14 per cent pay increases likely to result from a settlement earlier this year with the capital's bus workers.

Assuming that underground workers reach a similar settlement an extra 12 to 13 per cent would be needed in September from fares.

Underground workers are threatening to strike in support of their claim of an increase higher than that awarded to busmen. The busmen's deal involved a 9.8 per cent basic increase, with a possibility of a further 4.5 per cent for higher productivity.

London Transport is expected to present details of a proposal in the next few days for a September round of fares increases.

With the squeeze on rate-support grant announced in Tuesday's Budget, the council has been left with less room than usual to manoeuvre on its transport budget.

As policy, the council is gradually reducing operating subsidies to London Transport while increasing the sums spent on capital projects.

Laws 'inadequate' for lotteries

BY TIM DICKSON

EXISTING LEGISLATION is proving inadequate to deal with the growth of lotteries, the Gaming Board for Great Britain said in its annual report, published yesterday.

The board is increasingly concerned that no provision is made in the Lotteries and Amusements Act, 1976, under which the activities of professional agents can be directly controlled.

"In order to obtain the maximum return, some agents have tried to run all the lotteries as one operation and to concentrate on their own brand name, rather than on the fact that any particular lottery was promoted by a particular society or local authority."

A further consequence of the intervention of agents, the board says, is the development of standard contracts with promoters that have led in some cases to agents' taking a higher percentage of the proceeds than legally permitted.

Lotteries have become more competitive and individual operations have found increasing difficulty in selling all their tickets. That has led to many lottery accounts' contravening the permitted level for prizes or expenses.

Report Of The Gaming Board For Great Britain, 1978 (House of Commons Paper II, Stationery Office; £1).

Widen share plans, says Shawcross

By Christine Moir

IT IS WRONG to encourage employees to invest all their eggs in one basket—their wages and their savings—if they work in weak industries, Lord Shawcross told the Wider Share Ownership Council, of which he is chairman, yesterday.

He said that present employee share schemes applied only to shares in employees' own companies.

He would like to see such schemes broadened to include investment clubs in which the employer would deposit a profits bonus on behalf of the employees, to be reinvested in a spread of industrial equities or unit trusts.

The main point of employee share schemes was to encourage workers to hold the shares as savings or capital and not to sell them.

In a pre-Budget address to the CBI in Sheffield Mr. Nicholas Goodison, chairman of the Stock Exchange, had also called for a greater sense of partnership between owners and employees.

Continuing evolution of the limited company as an entity would mean more profit-sharing, participation and consultation.

"I have often wondered whether the Stock Exchange should help by asking companies as part of the listing agreement to disclose the means by which they consult their employees," he said.

'Little encouragement' for small businesses

BY JAMES McDONALD

E NET result of the Budget that it was orientated ards production in existing ds but added little to the ouragement of risk backing wealth creation in the ghly personal small business tor." This is the view of Brian Kingham, chairman the Association of Independent Businesses which resents 25,000 smaller anisations.

Any Budget so broad-sweeping as this makes it difficult to assess the ultimate outcome. Moreover, there are several gaps, most notably the delay in ending the damage caused by taxes on capital which bear so heavily on the private business sector.

"Similarly, the increase in the Minimum Lending Rate to 14 per cent can only hinder any early expansion in business activity and we hope it is of a temporary nature only."

Rates warning 'threatens council independence'

BY MAURICE SAMUELSON

MICHAEL HESELTINE'S rning to local government not raise rates to offset grant cuts s a "threat to the independence of local authorities." Raymond Lacey, president the Chartered Institute of blic Finance and Accountcy, said yesterday.

He was commenting on a rning by the Environment retary that selective action ght be taken against councils ich passed on the grants cuts ratepayers.

"Any attempt to control the budgets of individual authorities will certainly weaken Government control or influence on total local authority expenditure," Mr. Lacey told the institute's annual conference in Eastbourne.

He also called for greater opportunities for accountants to reach the highest jobs in the civil service, and added: "They need to be seen as people who can make a broad contribution at all levels of administration."

Woollen industry expects quick trade stimulus

IE BUDGET promised a quick mulus for the wool textile dustry, said Mr. Tony Gould, K and Ireland branch manager the International Wool Secretariat, yesterday.

He said: "The Budget has considerable implications for both anufacturers of furnishings and er Woolmark users.

"The full benefits of the cuts direct taxation will be joyed this autumn and hough some of the extra disposable income will be swallowed up in higher VAT prices, ere will, on the whole, be ore money in the economy.

"It is, indeed, fortuitous that is should coincide with a time when the public at large is raising its standards. This has been reflected in increasing price structures for all types of textiles, and there has been a marked return to quality merchandise and natural products.

"Cotton, leather and wood, as well as pure new wool, have benefited from this fundamental change in consumer attitudes.

"And if proof were needed to add to personal observations it could be found in the consumption of wool over the counter in 1978, which was 15 per cent higher than in 1977. Moreover, all the latest indications suggest that this trend is continuing, and thanks to the Budget 1979 will be an even better year."

Ulster to reduce public expenditure by £35m.

BY OUR BELFAST CORRESPONDENT

ORTHERN IRELAND Government departments will contribute £35m this year to public expenditure cuts, Mr. Humphrey Atkins, Ulster Secretary, said yesterday.

About half of this is made up savings in areas where Ulster in step with Great Britain. The impact of the remaining reductions is being cushioned the Government's decision continue the Meat Industry Employment Scheme (MIES).

This offsets the effects on meat producers and processors the UK's green pound policy. closes the gap between market prices in Ulster and those the Republic to prevent the ss of fatstock over the border nd a consequent closure of meat plants.

MIES helps to protect about 4,000 jobs, and has cost about £40m in the past year. The Ulster departments cuts are: Manpower Services, £11m; Commerce, £10.5m; Environment, £7.7m; Health and Social Services, £2.3m; Education, £2.1m; Agriculture, £500,000; Civil Service, £500,000; and the Department of Finance, £400,000.

About £10m of the Department of Commerce cuts will be achieved by delaying for four months the payment of capital grants to industry, which are applicable to all of Britain.

About £7.5m will be saved by Manpower Services by discontinuing the selective employment premium from July 31.

UK NEWS

Post Office keeps up profit

BY JOHN LLOYD

THE POST OFFICE, which the Government is considering dividing into two autonomous corporations, will declare a profit next month for the financial year 1978-79 of between £360m and £370m. This is very close to the previous year's figure.

Sales, however, are up substantially on the previous year's figure of £4.1bn, and thus the profit percentage will be down.

The two main businesses, posts and telecommunications, are expected to show roughly the same surpluses as in 1977-1978, with £40m for posts and £32.5m for telecommunications.

The Government was in favour of a split in the businesses while in opposition. It will require legislation, which is likely to be introduced early next year.

The form of the two new corporations has still to be decided, but two of the existing three businesses—posts and National Giro—would probably become one body, still called the Post Office. Telecommunications would become a separate body, and would possibly be known as the British Telecommunications Corporation.

The Post Office has already been consulted on its views, and believes that a split would make both businesses more efficient.

The Government is now consulting the corporation's unions and the Post Office Users' National Council. The only large body which remains opposed to a split is the Union of Post Office Workers.

Mr. Tom Jackson, general secretary of the UPW, said: "It would be bad for the nation at large if the corporation were split. The nation deserves a unified message-carrying service." Mr. Jackson is to see Sir Keith Joseph, the Industry Secretary, next week, when it is thought the subject of the split will be discussed.

Much more controversial are plans to introduce an element of private ownership into the telecommunications network. This is a scheme for which Sir Keith expressed favour while in opposition, and which is also being discussed.

The corporation's top management is not yet convinced of the arguments for the de-monopolisation of the network, or any part of it, but studies of the possible effects are now being conducted.

It argues that the network is an integral system, and that no part of it could be hived off complete, and put on the private market.

Any element of private ownership would thus entail holding shares in the corporation as a whole, but it is assumed that the Government would wish to retain some stake.

While in opposition, Sir Keith also mooted the creation of an open market for telecommunications equipment like handsets, telex machines and office switchboards. But the corporation believes that the scheme would present large maintenance difficulties.

The Post Office management however, is unlikely to have any dogmatic objections to such a move, and would submit it to the test of the best service to the customer.

Strong objections would be voiced by the Post Office Engineering Union, which regards the idea as a threat to its members jobs, and one which would harm subscribers interests.

Silkin exposes EEC loopholes

BY CHRISTOPHER PARKES

A CHARGE that food traders are profiting by at least £1bn a year from the weaknesses of the European Community's farm agricultural policy, will be made by Mr. John Silkin, former Minister of Agriculture, in a Thames Television programme tonight.

Some of the profits come from illegal activities like fraud and smuggling, but the bulk is made by astute traders who exploit legal loopholes.

His views are supported by Mr. Brian Gardner, a journalist billed as an independent analyst, who says that more than £100m a year goes in simple "fiddles" while about a quarter of the £3bn to £4bn paid by the EEC to the trade in subsidies and export aids, is soaked up in "exploitative trading which has absolutely nothing to do with the supply of food."

The figures contrast sharply with the official estimates of the European Commission which put losses through fraud at about £2m a year.

The programme, in the TV Eye series, goes further than most analyses of th eissue in providing film of the fiddles being worked and the loopholes being exploited.

The rice-go-round for example, which costs the EEC about £20,000 in lost import taxes on each shipment, involves rice bound for West Germany. It is landed in Britain, and the low-rate of import tax here is levied according to the book.

The grain is loaded from a ship into a lorry as a UK import, switched to another lorry lorry where it is transformed into a UK export, and then returned to the ship which then sails for West Germany where it is landed tax-free.

Perfectly legal, this operation is estimated to cost the Community about £2m in lost levies last year alone.

Estimated

The programme also tracks the the progress of shipment of butter sold to the USSR at 28p a pound in 1974 when the EEC price was 65p. Almost 7,000 tonnes of the butter found its way back to Rotterdam and arrived eventually under cover of forged papers in Como, Italy, where, somewhat travel-worn, it was sold for 60p a pound.

This fraud cost an estimated £6.5m, and since the Italian Government has been reluctant to disclose how it was worked, the commission is applying pressure through the European Court.

The Commission has also taken into its own hands the question of the true number of olive trees in Italy. It is estimated that subsidies of £20m a year are paid on trees which do not exist.

Now a five-year project at the Euratom centre in Ispara, Northern Italy, costing about £20m, aims to undertake a census by aerial photography.

Pig smuggling across the Irish border with the North, in which farmers can earn £7 a pig on each trip, is also covered in detail.

To the tune of the European anthem, Beethoven's Ode to Joy, grimy porkers are shown picking their way across a river frontier to the richer pastures of the republic.

Yorkshire probe for oil and gas

By Sue Cameron

CANDECCA RESOURCES, a UK onshore exploration and production company, is planning to look for oil and gas in Northern England and Scotland in conjunction with a consortium led by Taylor Woodrow Energy.

The planned joint venture, which will have to be approved by the Department of Energy, will involve a two-year programme of exploratory drilling and appraisal in the Yorkshire Moors area, central Yorkshire, Humberside and the Scottish midlands valley.

The other members of the consortium are RTZ, Oil and Gas, James Finlay and the North West Mining Group of Australia.

Candecca has reached an agreement in principle with the consortium on the joint venture, but the deal has yet to be finalised.

Candecca, which is 49 per cent owned by the Canadian-based Sceptre Resources, holds exploration and production licences on 2m acres of UK land. Last year, it raised £2.49m through a rights issue in order to evaluate its discoveries and continue its onshore exploration.

Maintenance plan may clear Europe's DC-10s

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRLINES IN Europe flying DC-10s are to meet in Zurich tomorrow to discuss new inspection and maintenance procedures, which, they hope, will lead to an early resumption of flights by their aircraft.

The DC-10s were grounded more than a week ago by the U.S. Federal Aviation Administration because of cracks in engine-wing mounting assemblies.

Since then, the 41 operators world-wide have been inspecting their total of 277 DC-10s to satisfy themselves and the FAA that their aircraft are safe.

At a meeting in Strasbourg this week, the 13-nation European Civil Aviation Conference agreed that a new code of DC-10 inspection and maintenance should be draw up which it is hoped, will encourage the FAA to lift its ban, at last insofar as it applies to Europe.

British Caledonian, Swissair and Alitalia are jointly working out the procedures, to be submitted for approval to Friday's meeting of all European DC-10 operators and their airworthiness authorities.

If the new code is approved, it will be submitted to another meeting, also in Zurich, next Monday, to which the FAA will be invited, as will McDonnell Douglas, the DC-10's builder.

At that meeting it is hoped that the FAA will approve the European airlines' action as being adequate to meet its own requirements for more intensive checks on DC-10s.

If so, the way would be clear for European Governments to authorise DC-10 flights by their airlines.

Theoretically, the European governments would be free to allow their airlines to fly DC-10s again from tomorrow, if the new procedures are approved, because they are not legally bound by FAA decisions.

In practice, however, the Governments need FAA approval because many of their airlines fly DC-10s to U.S. cities, where FAA instructions apply.

The European Civil Aviation Conference is careful, therefore, to emphasise that even next Monday's meeting is not necessarily the final step in getting the DC-10s airborne again.

The FAA itself may not want to move quickly. It is under intense and even hostile Congressional and consumer pressures in the U.S., where feeling is strong against the DC-10.

It will therefore probably want to study the European plan carefully and discuss it with other interested bodies such as the U.S. National Transportation Safety Board.

It may be at least another week, therefore, before the DC-10s are flying again.

Even then, it may only be a conditional resumption of services, with more frequent inspections than hitherto, and perhaps initially with only the later versions such as the Series 30s being allowed to fly now, with older models grounded for longer.

'Investment confidence brings Highlands boom'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE HIGHLANDS of Scotland are beginning a development boom with investment confidence growing, Sir Kenneth Alexander, Highlands and Islands Development Board chairman, said yesterday.

The demand for factory space or the number of pending applications for financial assistance last year had been a considerable success for the Board in terms of the number of new jobs.

Sir Kenneth was introducing the Board's thirteenth annual report. He said that it had provided a record £13.2m in grants, equity and loans in 1978. This had been accompanied by private investment of £23m in new industrial and agricultural projects.

"We estimate that the number of new jobs created or made secure in 1978 is about 2,000, a very substantial figure when measured against total employment of 110,000.

"But our achievement has been no cause for self-satisfaction. Too many communities still lack a reasonable range of employment opportunities, measured both in choice of jobs and attainable levels of earnings.

"In a few cases problems have become more serious, and our efforts have proved inadequate to turn the tide of rising unemployment."

Sir Kenneth said the rise in petrol prices, affecting tourism and transport costs, and the higher interest rates might cause a temporary hiccup in Highlands development, but should not affect the longer-term trend.

"The fact that here in the Highlands we are moving from one type of economy to a rather more sophisticated and developed one marks us out from the rest of the country.

"The attraction we have to offer is a relative one, and the Board is able to offer lower rates of interest than other parts of the country."

Short Brothers announces new aircratf range

SHORT BROTHERS, the Belfast-based aerospace company, announced yesterday from the Paris Air Show that it plans to develop a new range of commuter aircraft to enter service in the mid 1980s.

Mr. Philip Foreman, managing director, said studies were being made covering a range of aircraft in the 30 to 50 seat category.

These would be a logical progression from the company's present successful 330 Commuterliner, of which 43 have been sold. The two latest orders—for Air North of Vermont in the U.S.—were announced yesterday.

Mr. Foreman said worldwide market surveys were under way with particular emphasis on the North American market. It was already clear that the next generation of commuter aircraft would have to be extremely economical and fuel efficient.

A new aircraft range is essential to enable Shorts to maintain its 6,200 strong labour force. The Government has sunk about £60m in the company for a five-year capital re-equipment programme.

Private hospital wins battle

THE WELLINGTON Hospital in North London, where charges start at £130-a-day, excluding treatment, today won its hard-fought battle to expand.

In spite of objections that the multi-million pound scheme for a 102-bed extension would lure nurses away from nearby NHS hospitals, the Health Services Board gave its approval.

No reason has been given yet, but the board has to be satisfied that a private scheme will harm the NHS before it can turn down an application.

The Wellington, in St. Johns Wood, which lists Elizabeth Taylor and King Khaled of Saudi Arabia among its patients, is within a three-mile radius of some of London's major hospitals.

But its administrators have strongly denied it wil poach NHS-trained staff.

Radio contract for Tay Sound

THE INDEPENDENT Broadcasting Authority is to offer the the independent local radio a contract for the Dundee and Perth area to Tay Sound Broadcasting, subject to agreement on some details.

The IBA will announce the full composition next year

Hilton to build Gatwick hotel

THE BRITISH AIRPORTS Auhority announced yesterday that Hilton International had been selected to build and operate a hotel, the Gatwick Hilton, at Gatwick.

The hotel will be linked by a covered walkway to the passenger terminal, enabling guests to go to it from the plane under cover all the way.

MICHAEL STRUTT REPORTS ON THE INTERNATIONAL CYCLE SHOW

Prospects bright for pedal power

ALTHOUGH value-added tax is to go up, there was no doubting the underlying air of optimism at the International Cycle Show, which opened at Harrogate, North Yorkshire, yesterday and runs until Sunday. It is bolstered by the British Cycling Bureau's topical campaign: Pedals Not Petrol.

The 120 exhibitors, showing products from 18 countries, offer new departures among their variety of new models and accessories, that suggest that the bicycle has a rosy future for manufacturers as much as for riders. Home sales of 1.1m last year, up from 914,000 in 1977, confirm the trend.

Change is signalled in new shapes, materials and specifications (plastic wheels, for example) but luckily not always at "new" prices. Raleigh, for instance, has launched a 12-speed sports machine selling for about £115. Until recently, only expensive racing machines had 12 speeds.

Soon, Steyr-Daimler-Puch's light aluminium sports cycle, the Alutron, should be available. It weighs 19 lb and will cost slightly more than £400.

Tandems, although expensive at £250 and upwards, are lighter and stronger, thanks to developments and updated components. Holdsworthy, famous for its racing machines, is showing a prototype quality Claude Butler tandem frame for his-and-hers weekend touring—or racing—if you can find almost £1,000 for the complete machine.

The bicycle can be a workhorse, too. A. R. Pashley is showing a new rear-loading tricycle for transporting goods on level sites such as factory floors. It can carry up to 200 kilos, about 450 lb, on its rear carrier.

Mr. Richard Pashley, the company's chief, says that his tricycles are being used by companies such as British Airways and British Leyland and several large stores to transport goods from one part of a factory complex to another. This model, the Middleweight, is claimed to be the first purpose-built rear-loading work tricycle. It costs £180.

Youngsters' machines figure prominently in the catalogues. Increasingly, they are purpose-built, among them motor-cycle-style bikes with spring suspension and aluminium wheels. And if pedalling is too much effort, Harrogate is showing a range of cheerful Italian-made, 12-volt battery-powered pavement cycles capable of 7 to 8 mph.

Sturmey-Archer's five-speed hub special alloy components, better wet-weather brake blocks (by Fibrax), bottom-shaped saddles and a quickly detachable child seat from Denmark are among new parts that are gradually making cycling more convenient. They will not, however shield riders from weather or protect them from today's apalling city traffic.

That is why Friends of the Earth are an important presence and doubly welcome a the show. Their skilled and persistent campaigning for more cycleways and other facilities makes them the best allies that cyclists and cycle makers have ever had.

Nostalgia for the days when cycling was safer is provided by "new" £120 models from Peugeot of France: men's and ladies' machines reminiscent of the traditional cycles of the 1920s. Painted chocolate, they have chain cases and dress guards and would not look out of place in a Noël Coward Show.

If you want to go the whole hog, a Rideable Replica is the answer. These copies of penny-farthings and other models of the era before cars were common are imported from California to sell at about £400.

هكذا من الأصل

Chemical workers seek at least 20%

By Nick Garnett, Labour Staff

HEMICAL industry employers ıust in the light of the Budget ıd the recent top salary vards be prepared to pay rises at least 20 per cent in the 'esent round, unions said yes-rday.

Chemical companies and ıose in related industries, in-ıding oil refining, will see the ırning as an attempt to raise y going rate established by ttlements early in the next y round, starting in August.

The chemical industry's settle-ent runs from May. Imperial ıemical Industries, which gotiates separately is also due settle at the end of this wage und.

Employers and unions repre-nting 60,000 chemical process ırkers are due to resume nego-tions tomorrow. A pay offer at might be worth up to 14½ r cent has been rejected hough it was thought that the o sides were not too far apart.

Mr. John Miller, secretary of e union side of the industry's nt council, said that top salary 'ards and the Budget had ıotaged any possibility of reement on a marginal im-ıvement to the offer.

Workers were taking the ·w that the Government it-f had set a going rate of ıre than 20 per cent and if e chemical industry did not tch that, it might be faced ·h national industrial action.

"If we are now, because of · Government, going back o an area of irresponsible e-for-all, everything is up for ıbs."

Ir. Miller, secretary of the . unions, said indications re that the company's "final" er of up to 16½ per cent ıld also be rejected.

Decca unions seek meeting

ECCA trade unions are essing the company for a tional-level meeting be-een senior union officials d company directors over e company's plans not to y a wage increase this year its manual and white-collar ıff because of its cash-flow oblems.

Civil servants plan strike

BY PHILIP BASSETT, LABOUR STAFF

PROFESSIONAL CIVIL servants were instructed to strike on Friday week and to call further selective strikes after that in support of their pay claims.

The executive of the traditionally moderate Institution of Professional Civil Servants, which represents 100,000 mainly specialist staff, decided to instruct members to ban overtime and travel outside normal hours and use of private cars on official business, and to withdraw goodwill, including participation in productivity agreements.

Staff in the one-day stoppage on June 22 will include air traffic control, intelligence and fingerprint officers and inspectors of nuclear installations, mines, gas plants, factories, explosives, accidents and dangerous drugs.

Details of the selective strikes, expected to last for a week in each chosen area, will be announced next week.

They are likely to include marine engineers in Government dockyards, Royal Mint staff, Home Office analysts of drink-driving blood samples, and Stationery Office supervisors.

Regional reports show strong support for action from union members.

The dispute is over pay of two groups: about 40,000 professional and technical staff, mainly engineers, and 10,000 whose pay is linked to theirs; and about 20,000 Government scientists.

Mr. Bill McCall, the union general secretary, said that the offer to the professional and technical grades was an "insult." The union is pressing for increases of 36-47 per cent, with pay scales based on the upper quartile of the evidence from the Pay Research Unit comparability studies.

The Civil Service Department, which has offered increases of 16.3-24.1 per cent, says that the scales should be based on the research unit's medians.

Administration grade principals won increases this year of 30.3-34.6 per cent, for example.

For roughly equivalent principal professional and technology officers, now on £7,448-£8,729, the union claims new rates based on comparability reports of £10,675-£12,675, or increases of 43.32-45.2 per cent.

The offer would give new rates of £9,250-£10,700, increases of 24.1-22.57 per cent.

The Department insists that scientists' pay, to be included in any Pay Research Unit comparability study for 1980, should not be linked this year to the administration grade settlement, which gives average rises by January of 25 per cent. Some Department officials privately admit that the insistence is without real foundation.

● Union officials from the Society of Civil and Public Servants and the First Division Association met Mr. Paul Channon, Civil Service Minister, yesterday over the pay of some senior civil servants.

The unions have rejected an offer "considerably below" the unit's rises for the grades, which if fully implemented would take assistant secretaries from £12,273 to about £18,700 and senior principals from £10,809 to about £15,000.

Bid to save Prestcold factories

By Arthur Smith, Midlands Correspondent

WORKERS throughout BL are to be urged to give money each week for a campaign to prevent closure of Prestcold's two Scottish factories with the loss of 900 jobs.

The action was recommended in Coventry yesterday by the BL Shop Stewards Combine, an unofficial body which claims to speak for the state-owned concern's 135,000 manual workers. The meeting was addressed by Prestcold stewards who are hoping to mount a campaign similar to the one for Upper Clyde Shipbuilders in the early 1970s.

The two factories, which make compressors for refrigerators and freezers, are scheduled to close on September 7. Prestcold attributes the move to low demand, cheap imports and "missive over-capacity in the European refrigeration compressor market."

Hopes that a private buyer might be found for the factries—an option favoured by the Government—have not yet been realised.

The Prestcold stewards have declared that they will not co-operate in any attempted closure and will "block" any effort to remove machinery or components to other Prestcold plants.

TASS favoured by a third of Aerospace division senior staff

BY ALAN PIKE, LABOUR CORRESPONDENT

A DECISION by the management of British Aerospace Warton division to recognise TASS, the white-collar section of the Amalgamated Union of Engineering Workers, on behalf of senior staff has been supported, in a ballot, by about one-third of the 400 employees involved.

Under the agreement with TASS last month the divisional management undertook not to recognise any other group "with affiliation to a non-Confederation of Shipbuilding and Engineering Unions body, or any organisation outside British Aerospace." This came as a setback to the Engineers and Managers Association, which will next month complete an amalgamation with BACSTAFF, the local staff association at Warton.

Under the terms of the agreement TASS has undertaken to co-operate with a senior staff group provided there is no affiliation between it and any other non-Confederation body.

In a ballot on these arrangements about one-third of the senior staff have voted in favour of being represented by TASS and another third in favour of a new independent management association.

Mr. John Lyons, general secretary of the EMA which has now referred the Warton recognition issue to the Advisory, Conciliation and Arbitration Service, said yesterday there was "no chance that this ill-conceived and hastily concocted agreement between TASS and the Aerospace management can long survive."

He said the ballot, which was "run by the management who set the questions to suit themselves" was of no real authenticity. Yet even this limited referendum showed a clear repudiation of TASS by the majority of the staff concerned, Mr. Lyons added. In the Warton ballot BACSTAFF members were urged to vote for the independent association.

Disputes 'threaten PA reputation'

BY OUR LABOUR CORRESPONDENT

CONCERN FOR the Press Association national news agency's reputation and reliability would arise if it again became drawn into industrial disputes to which it was not a party, Mr. I. G. Park, chairman, said yesterday.

Mr. Park, speaking at the PA's annual members' lunch in London, referred to the provincial newspaper dispute during the winter when the National Union of Journalists instructed Press Association members to stop work in support of strikers in the provinces.

"The Press Association itself had no part in this dispute and personally I see it as desperately unwise of the NUJ to have sought to involve the country's national news agency in the affair," said Mr. Park.

The PA was a primary source for radio, television and all printed media in the country.

"We have a significant role in the communication of news in this country. It seemed—and still seems—to me sadly without regard for professional or even social considerations to have involved us in a sectional dispute to which the agency was in no way a party."

Miners pledge to fight for early Government defeat

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MR MICK McGAHEY, Scottish miners' leader, said yesterday that the miners would create conditions to defeat Mrs. Thatcher's Government, before a general election in 1984.

In his presidential address to the Scottish area conference of the National Union of Mineworkers, he said that the union was critical of Labour's performance in office, but would continue to fight for the return of a Labour government as soon as possible.

He attacked the Conservative Party for its class bias, for acting solely in the interests of rent, interest and profit, and for its proposal to limit trade union rights.

The question before the labour and trade union movement was how to organise and fight back. It was not a question of whether the unions should talk to a Tory government, but what should be said.

The TUC should mobilise the union movement to make it clear to the Government that it would not tolerate threats to trade union rights.

"We shall have no interference in the rights that we have secured over generations of struggle. This is not to challenge Parliament, as they put it, but in fact is to inform Parliament that we are determined not only to defend our position, but to advance the interests of the working people and the trade unionists we represent."

This year's miners' conference should press forward with wage demands and insist on a four-day week without loss of earnings, improved pensions and sick benefits. These should form the basis of a miners' charter around which the union could mobilise its members.

Mr. McGahey called for increased output and an end to unofficial walk-outs, which were a bar to improved productivity. "I am convinced that given the willing co-operation of all in the industry, we can meet our production targets."

He warned that concentrating on the productivity incentive scheme as a factor contributing to accidents like tohshe in Bentley and Golborne collieries diverted attention from other possible causes, not least the miners' failure to apply proper safety standards.

● Britain's biggest white collar union, the National and Local Government Officers' Association, yesterday laid the foundation of a more effective strike policy in anticipation of trouble ahead.

Delegates at NALGO's annual conference in Blackpool saw the Budget as a threat to jobs and the standard of public services. They instructed their executive to prepare a white paper for next year's conference aimed at streamlining dispute procedures.

Manpower Commission's future to be discussed

BY OUR NEWCASTLE CORRESPONDENT

THE LONG-TERM future of the Manpower Services Commission, whose annual budget has been cut by £110m to about £730m, is to be discussed with the Government within a week.

Mr. Richard O'Brien, chairman of the commission said in Newcastle-upon-Tyne yesterday, that offices throughout the country would be asked for their views before the meeting with Mr. James Prior.

He said: "I can give an assurance that the development of Manpower Services and its essential priorities wil continue. While we will have to look very carefully at how to handle these cuts, the essential thrust of our programme continues."

Mr. O'Brien said there would be a reduction in the trading opportunities scheme, particularly in the second half of the year, and that these would affect mainly the commercial clerical training sectors.

The bigegst cut, of £■2.2m, will be in the special temporary employment programme which will now be concentrated in areas of greatest need.

About £25.2m will be cut from the youth opportunities programme and another £22m from the training opportunities scheme.

Injunction halts union election

By Nick Garnett, Labour Staff

COMPLETION OF the election for the assistant general secretary of the country's biggest construction union could be delayed until early next year unless a High Court action is heard within the next few months.

Mr. Ivor Jordan, eastern regional secretary of the Union of Construction, Allied Trades and Technicians was granted a High Court injunction last month halting the election pending a full court hearing.

No date has yet been fixed

This followed a decision by the union's executive to rule out Mr. Jordan's nomination for the post after he had declined to give a commitment that he would live in London

The executive's decision apparently revolved around a clause in the union's rule book relating to expenses involved in transferring to London after election as well as a separate executive decision that the new officer should live in the capital.

The relative clarity of the rule will be challenged in court.

Mr. Les Wood, the former assistant general secretary, became general secretary following the death last November of Sir George Smith. Mr. Albert Williams, an executive member, is acting assistant general secretary.

Original nominations were Mr. Jordan, 51, who lives in Cambridge, and has been supported by the Left; Mr. Len Eaton, London regional secretary, supported by the Right; Mr. Jimmy Hardman, executive member and Mr. Tom Graves, a national official.

Under UCATT election rules, if no candidate receives more than 50 per cent of the votes, a second round of elections must be held.

Action call on pit closure

BACKING for industrial action against the planned closure of Deep Duffryn colliery, South Wales, is to be sought by South Wales miners' leaders at the NUM's national executive meeting in London today.

Mr. Emlyn Williams, the South Wales miners' president, is to seek permission of the executive for a coalfield ballot of South Wales's 30,000 miners

Healey condemns 'outrageous' Howe Budget

BY IVOR OWEN

DOUBTS ABOUT the Government's intentions over the imposition of a pay freeze will add to the pressures generated by the Budget for high wage settlements, Mr. Denis Healey, the former Labour Chancellor, warned in the Commons last night.

He seized on an earlier admission by Mr. Patrick Jenkin, the Social Services Secretary, that the Government expects the year on year rate of inflation to reach 17½ per cent by November to highlight the dangers ahead.

Mr. Healey claimed that the measures introduced in the Budget would be directly responsible for adding 5 per cent to the rate of inflation which, he said, would be rising at three-quarters of 1 per cent a month this winter, long after the tax cuts announced on Tuesday had made their impact.

He envisaged "a winter of discontent which will dwarf in its disastrous effects on the economy and on society anything we have seen in this country in the past."

Mr. Healey argued that the "vague" talk by the Prime Minister about a pay freeze could only have the effect of encouraging all groups of workers to get the highest possible pay increase they could squeeze out of their employers as quickly as they possibly could.

If a pay freeze were to be imposed, he stressed the Government would then have to face the problem of how to emerge from it without a wages explosion.

Mr. Healey questioned the apparent confidence of Sir Geoffrey Howe, the Chancellor of the Exchequer, in facing this situation.

He suggested that if it were based on the belief that monetary policy could determine wage levels he was showing the "blind religious fanaticism of an Iranian ayatollah or Sir Keith Joseph, the Industry Secretary."

When Mr. David Crouch (C Canterbury) asked Mr. Healey to consider whether his own speech might encourage excessive wage claims, the former Chancellor reaffirmed his belief that increases in earnings not linked with increases in productivity could only generate inflation and would not improve living standards.

Budget reaction: Last chance for shoppers seeking lower VAT prices

Hugh Routledge

But the Government of the country had to take its own responsibility to the working people of the country seriously. It could not expect wage restraint if it showed no resaraint whatever itself.

Mr. Healey protested that in the course of ten minutes in his budget speech, the Chancellor had thrown away the results of five years of painful work by the former Labour Government in bringing down the rate of inflation.

"The Chancellor has no right to preach about the senselessness of higher wage increases when, by his own action, he is increasing prices by 5 per cent at a stroke and proceeding with commitments involving provocative pay increases for those with the highest salaries in the country."

Mr. Healey admitted that the Budget would have been a difficult one, whichever Government had been in office.

But the main economic effect of the measures which Sir Geoffrey had chosen to introduce must be to produce a massive increase in both prices and unemployment.

He accused Sir Geoffrey of having made all his problems far more difficult by a reckless and insensitive dedication to election rhetoric, which was designed to appeal to private greed.

"The disastrous consequences of his Budget will be felt not just in the next months but for many years to come."

Mr. Healey emphasised that other price increases lay ahead, in addition to those imposed directly by the Budget.

These included higher food prices, which must result from the promised devaluation of the Green Pound.

He contended that the policies adopted by the new Government were on broadly similar lines to those followed by the Heath Government in 1970.

This raised the question of how long it would be before Mrs. Margaret Thatcher followed the other precedent set by Mr. Heath—"at what point will her opportunism finally override her obstinacy?"

Earlier, Mr. James Callaghan, the Opposition leader, condemned the Government's complacent attitude to the fact that it expected year-on-year inflation to reach 17½ per cent by November.

"It is totally outrageous," he declared.

Biffen pledges control over State spending

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A FIRM declaration that the Government intends to stick to its plans for expenditure cuts and the enforcement of cash limits was given to the House by Mr. John Biffen, Chief Secretary to the Treasury.

"This Treasury bench is determined to bring State spending under some control before its very magnitude drags us down," he said. "That is a policy which is socially responsible, and economically reasonable, and on this score we stand to be counted."

Throughout his speech, his first in the Commons as a member of the new Administration, Mr. Biffen emphasised the Government's determination to carry through the measures announced in the Budget.

Labour protested when he declared that the expenditure cuts in industrial assistance and employment programmes, outlined in the Budget, were only a "very preliminary package." The debate on that would extend throughout the lifetime of this Parliament.

Defending the Chancellor's proposals, he said: "I don't deny for one moment that this is a severe package, but the severity is made necessary by the situation we inherited."

Corrective action had to be taken because public expenditure had been increasing very much faster than originally planned and the rate of growth of the economy was much lower than had been expected.

"It is not pleasant to be taking corrective action, but it is a deal sight better to take it now than to let the situation fester."

The Chief Secretary declined to predict what rate of inflation is likely. But he told the Opposition that in the months and years ahead, they would have every opportunity to decide whether inflation under this Government would bear comparison with what happened under the Labour Government.

At that, jeering Labour MPs assured him that they would remember his words and hold him to it when the time came.

"The Budget is not reckless," Mr. Biffen declared. "Yet, it is bold, certainly in some senses it is stern. But I believe it is responsible."

No one could look at the Government's determination to control the Public-Sector Borrowing Requirement and say that it had taken the soft option. "Monetary policy will be a major determinant in the totality of the Government's economic policy," he emphasised.

The present Treasury bench, Mr. Biffen said, was determined to put forward a constructive alternative to Labour's policies. Treasury Ministers knew that high taxation and high Government spending might lead to a taxpayers' revolt similar to those in Denmark and North America.

"We know that a taxpayers' revolt could create political ferment and undermine the deliberate and planned allocation of public resources."

He outlined the propositions that underlay present Government policy.

Domestic and world conditions suggested only very modest prospects for economic growth. That would be a real restraining factor on this country and we should recognise the implications of it.

"It means that if growth cannot provide the resources for lower taxation, then lower taxation has to come from reduced levels of public spending."

The burden of public spending had increased, was again increasing, and had to be diminished. There was a powerful inertia about public spending that pushed it inexorably upwards.

Broad agreement existed about the use of cash limits but there was no doubt that the limits announced by the present Government were going to be under some strain. Mr. Biffen said: "I believe that this policy of a general squeeze through the cash limits is sound and practicable."

Although the policy would not be easy to carry through, it had advantages. It was evenly spread between capital and current expenditure, and left the cuts to be decided by those who were responsible for spending the money.

"I don't underestimate the severity and the strain this will mean throughout the public sector," he observed.

However, he would not be drawn by Labour backbenchers who demanded that he should spell out what that would mean in terms of unemployment.

Further, Britain's contribution to the EEC budget was profoundly unsatisfactory and the whole House wished for the success of the Chancellor in bringing about budgetary reforms. At the moment, all the evidence was that Britain's contribution would reach £1bn.

Finally, the real area of controversy was on how public money was spent. The Labour Party had a wildly ambitious and excessive concept of the protective role of the State.

Foreign trade guide

FINANCIAL TIMES REPORTER

THE DECISION in the Budget to re-allow the use of Sterling in third-country trade will apply only to deals involving British merchants and not to such trade in general, the Bank of England explained yesterday.

This means that the liberalisation of this aspect of exchange controls does not go as far as was suggested in the Financial Times yesterday.

The details have yet to be worked our. The relevant paragraph in the Budget spech by the Chancellor read: "During the sterling crisis of 1976 the last Government stoped the use of sterling to finance third-country trade.

This restriction has placed British merchants at a disadvantage in international business and I am taking the opportunity to restore the facility to them as soon as possible."

Before November 1976, British banks were allowed to finance trade between third countries as long as one of them was in the overseas sterling area (the old scheduled territories).

British merchants arranging deals between third countries could use their own sterling resources to buy, for example, the D-Marks necessary to ship German gods to Japan.

Since then, merchants have had to borrow foreign currency, probably dollars, to finance trade where no British party was involved, and this has sometimes proved a cost disadvantage.

British banks have been prevented from providing sterling finance for any such deals between third countries.

The Budget decision is aimed at providing suitable relief to British merchants. It is not currently intended that the relaxation of the 1976 measures should extend to banks.

Labour sinks in depression

By Our Lobby Staff

LABOUR backbenchers' fury immediately after the Budget seemed to have turned into an attitude of depressed resignation by yesterday morning.

At a meeting of the Parliamentary Labour Party, speakers attacked the Budget as squalid, divisive and inflationary, but the atmosphere was, for the most part, subdued as MPs gloomily faced up to the realities of the Parliamentary situation.

The only bright spot some could see was the political capital which they felt must eventually come from the havoc such a Budget would create in the country.

In the short term, the inclination seemed to be to concentrate their opposition in a single vote on Monday night against the proposed rise in VAT.

After a discussion lasting less than an hour, Mr. Denis Healey wound up the meeting by accusing his successor as Chancellor of being dominated by Mrs. Thatcher.

The Budget was not the work of Sir Geoffrey Howe, he claimed, but of the Prime Minister herself. It was, he said, a "shewolf Budget in sheep's clothing" which put greed before need and gave priority to the Tories' own supporters.

The Conservatives, he said, had done exactly what Labour had predicted they would do during the election campaign and which they had denied.

VAT had been practically doubled and prescription charges raised.

The whole burden of the Budget was on the lowest paid, he maintained.

Agreeing with previous speakers who had said that Labour must produce its own alternative policies for dealing with the economy in Opposition, he predicted that Sir Geoffrey would eventually have to reverse his policy.

Earlier, Labour backbenchers had predicted that there would be a pay explosion this winter. The tax cuts, they said, would cut no ice as far as wage demands were concerned.

Revival of at-a-stroke economics

BY PHILIP RAWSTORNE

MR. PATRICK JENKIN, Social Services Secretary, blandly disclosed to the Commons ysterday that he expected the inflation rate to reach 17.5 per cent by November.

Not surprisingly, the political fireworks began immediately. "A total outrage . . . totally insupportable," Mr. James Callaghan fumed across the Despatch box.

Mr. Jenkin replied defensively that the Budget price increases would have a once-for-all effect on the cost of living.

"Five per cent at a stroke," Mr. Denis Healey snapped furiously, as he followed to open the second day of the Budget debate.

Th Tory Government had displayed an obstinate refusal to learn any lessons from the past, Mr. Healey declared. Its Budget showed a blind indifference to the social, political, and economic consequences for the nation.

Mr. Healey, whirling angrily through the rising prices, predicted explosive pay negotiations this winter.

"It is a recipe for a winter of discontent that will dwarf in its disastrous effects on the economy and society anything we have seen in the past" he cried.

The only incentive that the former Chancellor could see in the Budget was its encouragement to union negotiators to demand the biggest pay increases they could get.

Mr. David Crouch, Tory MP for Canterbury, protested that Mr. Healey himself was now providing even more encouragement to union militancy.

"The Government cannot expect wage restraint, if it shows no restraint whatever itself," Mr. Healey retorted.

The Budget had been less an exercise in economic strategy than in political prejudice, he said. Mrs. Thatcher was fulfilling her election appeal to private greed.

But her obstinacy would at some point give way again to her opportunism, Mr. Healey said.

There was no glint of even a thought of any future policy reversals, however, from Mr. John Biffen, Chief Secretary to the Treasury.

Though hesitant in style, he was far from uncertain in his convictions. The Budget had been bold, stern and responsible, Mr. Biffen claimed.

The Labour Party might now be retreating from its own policies in office but the Tory Government would stand firm.

Jenkin details social security plans

BY ERIC SHORT

THE GOVERNMENT expects that inflation will be running at 17½ per cent by November as a result of its Budget measures. It is further anticipating that this will be about two points higher than the annual rate of earnings.

This was revealed yesterday when the new rates of social security benefit were announced by Mr. Patrick Jenkin, Secretary of State for Social Services.

Sickness and unemployment benefits are being increased, from November, to £18.50 a week for a single person and £29.95 a week for a married couple, compared with the present rates of £15.75 and £25.50 respectively—a rise of 17.45 per cent in each case.

Under the Social Security Act 1975, short term benefits have to be uprated in line with prices only, whereby pensions and long term benefits move in line with earnings or prices, whichever is the greater.

This rise in the short term benefits of 17 ½per cent, as Mr. Jenkin stated, reflects the anticipated rise in prices between November, 1978, when benefits were last increased, to November, 1979. It reflects the effects on prices of the increase in VAT and other Budgetary changes.

Mr. Jenkin also confirmed that the pension increases announced on Tuesday by the Chancellor in his Budget speech were also being increased in line with prices. Pensions are being improved by 19½ per cent to £23.30 a week for a single person and £37.30 a week for a married couple.

	Weekly rates New £	Weekly rates Old £
Retirement and widows' pensions		
Single person*	23.30	19.50
Married couple*	37.30	31.20
War widow's pension (private's widow)	30.20	25.30
Unemployment and sickness		
Single person	18.50	15.75
Married couple	29.95	25.50
Widow's allowance†	32.60	27.30
Maternity allowance	18.50	15.75

* 25p is added if aged 80 or over
† Payable for first 26 weeks of widowhood

This rise consisted of 17½ per cent anticipated price increase and 2 per cent for the shortfall in the last increase in November 1978 because the earning movement was underestimated.

He confirmed that the increase was in line with the Government's statutory obligation under the 1975 Act and that prices were expected to rise faster than earnings.

But Mr. Jenkin stated that it was not Government policy to announced expected earning increases so far ahead.

However, among the new benefit package given was the new earning rule limits which have to be raised in line with anticipated earnings. These are moving from £45 per week to £52 per week, a rise of 15½ per cent.

The new benefits package, which will affect about 12m people, will cost £1.1bn in the current financial year and £2.7bn in a full year.

Mr. Jenkin would not forecast whether these improvements in benefits would lead to a rise in the National Insurance Contribution rates.

These were decided in the autumn following the annual investigation made by the Government Actuary. But it was inevitable that te earning bands on which contributions were levied would rise because of inflation.

Mr. Jenkin reaffirmed the Government's intention to change the statutory requirement for revaluing pensions to be based on price rises only.

He stated that legislation to make the change would be introduced shortly.

He pointed out that in the light of experience over the last three years, the Government had concluded that it was not sustainable to uprate long term benefits in line with the higher earnings and prices.

It was confirmed that there would again be a Christmas bonus of £10 paid this year. Mr. Jenkin accepted that this was still the same amount as paid when first introduced in 1972 by the previous Tory Government and admitted that in real terms it should be £24. But the bonus, at the £10 level, would cost £108m and to increase it to £24 would involve a further £150m cost. But the proposed legislation that would ensure that a bonuse was paid every Christmas and it would have the facility in future to increase the amount.

Feedstock projects pledge

By John Lloyd

STRONG and continued Government support for projects to produce oil and chemical feedstocks from coal was pledged yesterday by Mr. John Moore, a junior Energy Minister.

Speaking on his first visit to the National Coal Board's research establishment at Stoke Orchard, near Cheltenham, Mr. Moore said that the UK will be world leaders in the conversion of coal into oil and gas.

"This work could provide the coal industry and the process engineering industry with substantial markets in later years."

Two experimental projects to liquify oil from coal are currently being undertaken at Stoke Orchard at a cost of around £15m each.

The cost is being borne by the Government and the NCB so it is likely to attract more than £3m of aid from the European Commission.

A demonstration plant, which may cost around £100m, will come on stream in the late 1980s while a commercial plant producing as much as 10,000 tonnes of oil a day is forecast for the 1990s at a cost of around £1bn.

Mr. Moore said that he had been concerned on first coming into office to discover if the process could be speeded up. However, he had been fully satisfied that it could not.

"Using coal to make petrol and raw materials for the chemical industry is by no means the wishful thinking of scientific backroom boys.

"It has been a technological reality for some time: it could become an economic reality in the future."

Rhodesia legality assurance

SIR IAN GILMOUR, the Lord Privy Seal and deputy Foreign Secretary, denied in the Commons yesterday a suggestion that the Government was adopting a process of "creeping recognition" towards Zimbabwe-Rhodesia.

He said the Government's objective was to build on the changes that had taken place in Rhodesia to achieve a return to legality with the widest possible international acceptance.

"The Government has therefore embarked on a process of consultation. A senior official is at present in Salisbury and Lord Harlech is currently in Africa consulting the Commonwealth and other African governments most closely concerned," said Sir Ian.

The former Foreign Secretary, Dr. David Owen called for an assurance that the Government had no intention of a "creeping" recognition of Bishop Muzorewa or waiting "just synically" until the Commonwealth conference was over before recognising the new Rhodesian regime.

Dr. Owen also asked for confirmation that Lord Harlech would meet Mr. Nkomo and Mr. Mugabe, and that British diplomatic and other activity would be used to bring about negotiations between Bishop Muzorewa and the Patriotic Front leaders.

Sir Ian told him: "We are not proceeding in any way cynically. Nor are we proceeding by way of creeping recognition."

In the Government's aim of achieving the greatest possible recognition, it hoped there would be negotiations and anything else which would help towards a peaceful settlement.

Lord Harlech had authority to meet the leaders of the Patriotic Front, but exactly whom he met would depend on who was available when he was in the relevant places.

● The Government will not reconsider the decision to recognise the new regime in Iran, despite being "shocked" at the executions there, MPs were told yesterday.

The Foreign Office Minister of State, Mr. Douglas Hurd, said during Commons questions on foreign affairs: "The last Government extended recognition to the new Iranian Government in mid-February. We are not proposing to reconsider this decision."

Mr. Hurd added that the Government had already expressed its shock over the executions. But it was essential that Britain should be fully represented in Iran.

Mr. Jonathan Aitken (C Thanet E) called for normal diplomatic courtesies to be extended to the Shah "should he ever come to this country."

Mr. Hurd replied that although the deposed Shah had "many ties of friendship here" he had not expressed the desire to come to Britain. He reminded Mr. Aitken that the Shah had recently moved to Mexico.

● The effectiveness of Britain's garrison in Hong Kong in stemming the flow of illegal chinese immigrants will be discussed with the Hong Kong Governor, Sir Murray Maclehose, in London this week.

The Foreign Office Minister of State, Mr. Peter Blaker, told the Commons yesterday that the garrison's strength was kept under constant review. Any changes would depend on the outcome of talks betwen Sir Murray and Ministers.

● The Government yesterday rejected a payout to Tanzania for its part in overthrowing President Amin of Uganda.

Mrs. Judith Hart (Lab. Lanark) said the cost of defeating the Amin regime must have been between £1-2m.

She pleaded for extra help to be sent to the Tanzanians. But Minister of State for Overseas Development, Neil Marten said the Government was not allowed to use aid for that purpose.

European 'abdication' denounced

By Elinor Goodman, Lobby Staff

LORD THOMSON, chairman of the European Movement and one-time Minister for European Affairs in a Labour Government, yesterday lashed out at his former Labour colleagues over their attitude to Europe.

He accused them of sacrificing the long-term principles of European membership to the short-term objectives of party unity.

Delivering the annual lecture of the Association of Special Libraries and Information Bureaux, he criticised Labour's handling of the European issue both during the recent European election campaign and during its five years in Government.

Lord Thomson, who after leaving Westminster became an EEC Commissioner, claimed that "patching up party unity" had been considered more important than the "historic issues associated with British membership of the European Community" during the recent campaign.

He accused the Labour Government of having abdicated Britain's "traditional place at the top table alongside France and Germany" merely to avoid rocking the party boat.

The pro-Europe majority in the last Cabinet, he maintained, had refrained from promoting a positive climate of opinion about the Community for fear of provoking the minority of anti-Marketeers.

In contrast, the anti-Marketeers, who dominated the party's national executive had shown no similar restraint.

"They were left with a free field to snipe and to snarl," he asserted.

For the last five years, the Labour Government had given no priorities to emphasising the importance of making a success of British membership of the Community's role in world affairs.

Boundary changes threaten Labour strength

BY ELINOR GOODMAN

PROPOSALS which could result in a net loss of at least two seats for Labour in London, together with the strengthening of the Conservative representation in the shires, were published yesterday by the Boundary Commission for England as part of its review of constituency boundaries.

If implemented, the changes could result in the disappearance of a number of traditionally safe Labour seats in places like Lambeth and Hackney, while solid Conservative seats in rural areas, like Knutsford, take on new identities.

Contrary to some forecasts, Mrs. Thatcher's seat in the borough of Barnet has not been significantly affected by the Commission's recommendations. But a number of other well-known Tories, like Mr. Kenneth Baker and Mr. Hugh Rossi, could find themselves looking for new constituencies along with Labour MPs like Mrs. Gwyneth Dunwoody and John Tilley.

The Commission, which must finish its work by April 1984 at the latest, recommended that Greater London's existing 92 constituencies should be cut by eight to take account of the fall in population since the start of the last general review in 1975.

Changes of varying degrees were also recommended in the boundaries of most of the remaining constituencies. For this reason, it is difficult to be precise at this stage about which party would benefit most from the proposed changes.

The figures suggest that on the basis of last month's general election result, Labour would lose at least five seats in London and the Tories three. Whether the new boundaries will be implemented in time for the next election is doubtful.

The Commission, which has so far published proposals covering rather less than half of England, also produced recommendations yesterday affecting the largely Conservative areas of Cheshire, Hertfordshire and Shropshire. It provisionally recommended that these counties should be given a total of 24 seats. At present there are nine in Hertfordshire, four in Shropshire and seven in Cheshire itself, with parts of six others also crossing the county's boundaries.

Again, the Commission has recommended some changes in the boundaries of all the constituencies affected. In some instances, it recommends the creation of completely new constituencies.

Congleton, for instance, would take in parts of Knutsford, Macclesfield and the Labour seat of Crewe.

In others, it merely suggests minor alterations to the existing boundaries though in some cases, this might transform what was once considered a marginal seat into a safe one and vice versa.

Interested parties have one month in which to make representations to the Commission. As yet, the party headquarters say it is too early to predict what effect the changes would have on Parliamentary representation but in those areas where existing boundaries were significantly altered, MPs would probably have to go through the full selection procedure.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

'ailure to define advertising objectives generates corporate delusion and costly mistakes. Report by **Michael Thompson-Noel**

Advertising and the Frankenstein factor

Two prize-winning ads. But in other cases, advertising objectives appear to be set without the least resort to rational thought

IE PHONEY WAR is over. w that Britain's marketeers ve had a day and a bit to sorb the broader implications Tuesday's direction-setting dget, marketing departments oughout the land can re-ress themselves in earnest to business at hand: selling duct. The past six months e approximated a dress earsal of Waiting for Godot. st there were the winter kes. Then there was the ction. Then there was the dget. But the decks have been cleared, and market- departments ought to know roximately where they're ng, although one can't be e.

onsider the specific case of ertising. In Britain this r, advertising expenditure total at least £2bn. For ny companies, advertising enditure represents only r 2 per cent of gross turn-r. But for many of them it also equivalent to upwards 5 per cent of pre-tax profit.

ccording to Harry Henry of Cranfield School of Manage-t, figures like those might you to suppose that most keting departments possess ear-cut idea of what their ertising is supposed to do. the contrary. Cranfield's -term research in this area vs that the way in which ertising objectives are deter-ed is sometimes so lacking larity of thought as to re-ble corporate snakes and ers.

ofessor Henry's views on subject are set out in the l of a series of Cranfield dsheets, just published: to Set the Right Advertis-Objectives. "The fact that nsiderable proportion of ad-sers are still wasting a deal of money doing the g things is simply a con-ence of the fact that they not yet learnt to look at matter rationally and sys-tically," he says. "And root of the problem lies in ailure to define advertising tives, for it is indisputable if you do not know what are really trying to do is no way in which you judge how well you are t it."

says Cranfield has discov- three main ways in which anies habitually mislead selves in this field: 1—they confuse advertising objectives with marketing objectives; 2—they set advertising objectives that do not make an optimum contribution to marketing objectives: 3—they allow advertising objectives to assume an independent existence, "like so many Frankenstein monsters." All three arise, he says, because of failure to understand the specific role played by advertising within the total marketing mix.

"Except in the case of direct-response, advertising does not have a direct effect on customer behaviour. It reinforces or changes perceptions and attitudes concerning the goods and services being advertised . . . It is therefore very rarely that an exact and clear-cut relationship can be identified between advertising activity and marketing performance."

Business goals sometimes put forward as advertising objectives can involve raising market share, or containing the share of competitors; maintaining or improving distribution and brand penetration; expanding the market; achieving the sales budget; winning lost customers or gaining new ones; increasing the frequency of a brand's use or reducing its seasonality; defending it against own-label rivals, and so on. But these are *marketing* objectives.

Advertising can make a contribution towards attaining these objectives, says Harry Henry, but it does so intermediately. It is partly for this reason that many advertisers seek sanctuary in lop-sided thinking.

"When sales results are good, there is a tendency for management euphoria to spill over into the judgment of the advertising: when they are unsatisfactory, advertising provides a handy whipping-boy.

"But sales figures do not explain how or to what degree advertising may have contributed to the overall result; how far this approaches the optimum; whether the same effect could have been obtained with less expenditure, or a better effect with more; whether a different campaign would have produced more satisfactory results; whether concentration on a different sector of the target market would have been more effective, and so on."

What, then, are the legitimate objectives of advertising? Prof. Henry says that an initial list of no fewer than 70 can be fined down to six:

- To create or maintain awareness of a product or service.
- To convey specific information of an essentially factual or educational nature.
- To convey messages of a less objective, more persuasive, kind.
- To create, maintain or improve the image of the product, and/or the company.
- To stimulate a desire to try the product.
- To raise or reinforce a feeling of product loyalty.

"However cunning the copy platform, sensational the creative treatment, skilfully designed and timed the media schedules, these six in the end are the only ways in which advertising operates to affect consumer behaviour."

The evaluation of objectives is far from easy. "The ideal is for the advertiser to put some numbers into the equation—to say, for example. 'I judge that an x per cent increase in awareness of my product, or a y per cent increase in the acceptance of my product-claim, will have a z per cent effect on consumer behaviour, and hence on sales.' The positive effect, of course, may be either an increase or the prevention of a decrease, but the situation can also be looked at from the other end: 'What adverse effect on my level of sales (or market penetration, or brand loyalty, or whatever) do I estimate will result from a reduction in the level at which I meet a particular advertising objective?'"

Precise figures are only very rarely available. But according to Prof. Henry: "Even if the questions cannot be very precisely answered, the mere act of asking them imposes a self-discipline which can prove extremely valuable in focusing attention on the key issues, and in exposing the lack of substance in some of the more popular plattitudes which are the common language of the agency-client dialogue."

By far the most common of the advertising objectives reported in justification of expenditure by advertisers, he says, is an increase in the awareness of a product or service—but it is not necessarily the most important objective and may not be appropriate at all in particular circumstances.

Equally, to set as an advertising objective the creation of a favourable attitude among the target population is far too imprecise. The assumption is often made that favourable attitudes are directly responsible for favourable purchasing behaviour. In reality, the assumption is in most cases unproven and in many instances false.

"One of our most revealing case histories concerns a campaign with the marketing objective of bringing new consumers into the market by creating a more favourable attitude among present non-users, the outcome of that campaign being both an overall improvement in attitude and an increase in consumption. But more detailed analysis showed that the improvement in attitude had been entirely among present users, whose consumption had nevertheless not increased: among non-users the attitude had not changed, but consumption had increased. The campaign had thus not achieved its specified advertising objective: instead, it had accidentally served some other objective, with fortunate results."

According to Prof. Henry, it is an inconvenient paradox that it is precisely those advertisers who are most concerned to use research findings to shape their advertising objectives, and to assess the extent to which they are met, who run the greatest risk of taking a wrong turning. This is because the research techniques used are liable to take on an existence of their own, and become objectives in their own right. In all business activity, he says, there is a tendency to measure what is most easily measurable, rather than what is most important to measure, and this is particularly true in the case of advertising.

Above all, he warns against forms of measurement that concentrate on consumer reaction to the advertising as such. "Even recall of the advertising is a dubious measure of its effect, and still less relevant are the answers given when consumers are asked whether they 'like' the advertising, whether they found it 'believable,' and other such questions. When apparently satisfactory answers emerge from such enquiries, scepticism on the part of the advertiser is regarded as ungracious."

Methods for evaluating the results of advertising, and using them to plan for the future, are not as well-disciplined as they can and should be, says Prof. Henry. But experience shows that when proper objectives are set, they help focus marketing activities in a way that considerably enhances the cost-effectiveness of the advertising effort.

At the £2bn level, there's a lot at stake.

Saatchi's one-for-two

THE SAATCHI and Saatchi Company, whose financial performance over recent time has set the pace among advertising agencies, reports a 50 per cent improvement in pre-tax profits at the halfway stage, plus a one-for-two bonus—a sort of post-Budget celebration of the election success of its most famous client, the Conservative Party.

Turnover for the period to March 31 rose by 39 per cent to £34.2m for a pre-tax profit of £1.1m. The operating margin of 3.3 per cent was an improvement on the previous half-year, marking the seventh successive half-year period in which Saatchi has increased its operating margin.

New assignments in the first half came from Nestlé, Campbell's Soups, Smith and Nephew, Procter and Gamble, the Law Society, British Rail and the Wallpaper Marketing Board.

As recently reported, Saatchi has bought the Dublin agency O'Kennedy-Brindley, one of Ireland's top three agencies, following the acquisition last year of Hall's, Scotland's largest agency.

According to chairman Kenneth Gill: "The outlook for the full year continues to be satisfactory, and we expect 1979 to be another year of good progress."

Company report: Page 30

- NORMAN STRAUSS, advertising manager at Lever Brothers, is joining Prime Minister Margaret Thatcher's policy unit as a part-time special adviser. He is being released by Lever Bros. for two years, after which he may or may not rejoin.
- THE EVENING STANDARD, whose last reported MEAL spend was £184,000, has appointed the new agency, Wight, Collins, Rutherford, Scott, in succession to Collett Dickenson Pearce. WCRS is also in the front running for BMW's £1m account.
- HARRISON COWLEY, which has six offices, says current billings are £17.5m, making it the biggest agency group outside London. Audited turnover last year was £12.2m for a net pre-tax profit of £435,191 (£331,919). Recent gains include Hales Cakes, Thermalite, Thorn Gas International and Wilton Royal Carpets.
- VAN DEN BERGHS has launched its premium quality packet margarine, Krona, in the London area after successful tests in Harlech and Westward.

Ford parts with FGA

FORD OF BRITAIN and the FGA/Kenyon and Eckhardt agency are parting company, which means that £500,000 worth of Ford billings, covering Ford's medium and heavy commercial vehicle accounts, is on the loose, writes Michael Thompson-Noel.

In the U.S. earlier this year, Kenyon and Eckhardt resigned all its Ford business, including the Lincoln-Mercury assignment, in order to swallow up approximately $120m worth of Chrysler Corp. billings in what amounted to the largest advertising account switch ever seen.

In Britain, Ogilvy Benson and Mather handles £2m worth of billings on Ford cars and light vans. Ford will discuss future plans for its medium and heavy truck business with a number of agencies over the next few months.

The commercial vehicle market is booming, says Ford, though recent sales may have been artificially boosted by inflationary expectations.

In the light van sector, total sales this year could be as high as 86,000. Ford currently holds a 34 per cent share. In medium commercial vehicles, where the Ford share is 32 per cent, sales could top 116,000. In the heavy truck division, where Ford has 17 per cent, unit sales may reach 78,000.

Eventual Ford winners in the U.S. were Young and Rubicam, which won $63m worth of Lincoln-Mercury and Ford parts and service billings, and Wells, Rich, Greene, which picked up $10m worth of Ford business. The main loser was Ogilvy and Mather, which ironically resigned $12m worth of Mercedes-Benz business in order to compete for the Lincoln-Mercury account.

Offers that can't be refused

BY STEPHAN BUCK

EVERYONE in marketing knows that computers are central to the task of storing, processing and analysing marketing information. By now almost everyone in marketing can produce a catalogue of computer horror stories and frustrations proving that the honeymoon euphoria of the early computer days has been replaced by a more practical and cautious approach.

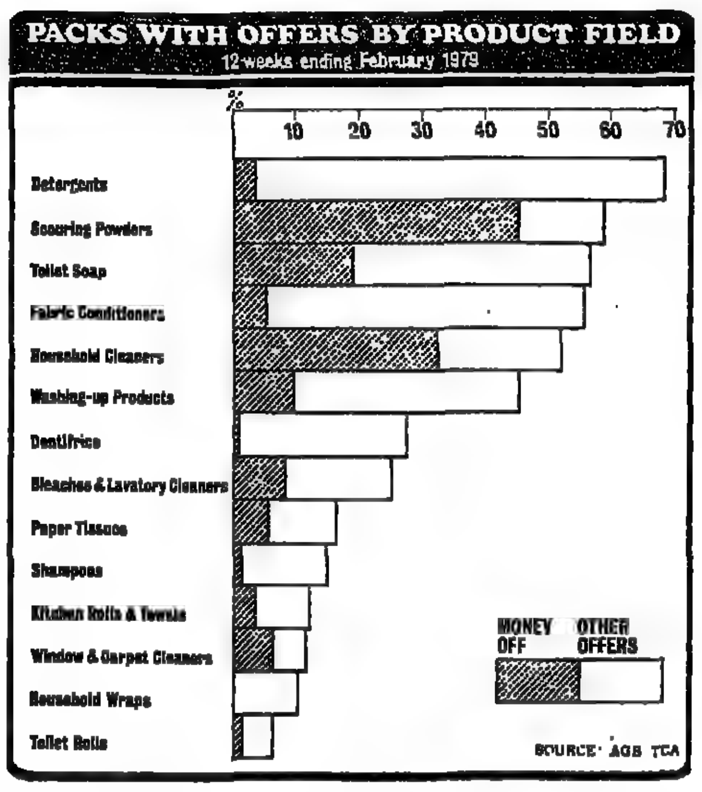
But even the most doubtful may be converted by the newest generation of computers and analysis systems. These data base management systems provide non-computer specialists with rapid access to complex data through the use of simple English language programming.

For instance, basic information on on-pack offers is collected every week from 6,000 households comprising the TCA panel, but in the past it has been time consuming and expensive to analyse this information.

In the past year at AGB the process has become far simpler because of the introduction of a new computer system called Datafast. As an example of what can now very quickly be made available, I have selected work we did on the broad product sectors of household cleaners and toiletries.

Information for five 12-weekly periods was computed covering 1978 and the start of 1979 in order to provide some seasonal patterns and to some extent a year-on-year comparison. Detailed results are shown in the chart for the 12 weeks ending February, 1979, and they provide for each product field the proportion of products sold with some kind of offer, highlighting in particular those on-pack promotions involving "money off." Offers other than money include coupons, competitions, extra product, banded packs and send-away schemes.

PACKS WITH OFFERS BY PRODUCT FIELD
12 weeks ending February 1979



SOURCE: AGB TCA

As far as total offers for this period are concerned, they range from about 70 per cent of packs for detergents down to less than 10 per cent for toilet rolls. With one or two minor exceptions the household cleaner items tend to have a high incidence of offer packs compared to the more functional and personal items. The rank order for packs sold with "money off" is by no means the same as that for total offers, so clearly different selling strategies are used in different product fields.

However, the period was one covered by disruption due to strikes, and many products were facing supply difficulties. It is therefore interesting to compare these results with the similar period a year earlier.

As far as all offers were concerned there was remarkably little difference in the incidence of on-pack offers, and the rank order for the three months ending February, 1978, is the same as in the chart for 1979. Dramatic downward shifts have occurred, however, as far as "money off" pack promotions are concerned.

More insight into on-pack promotional policy can be obtained by examining results for individual brands and sizes and for longer time periods. This is easy with modern computer analyses systems, and it could well be that some of the harsh views on the value of computers in marketing should now be revised.

Stephan Buck is Director of Group Development at AGB Research.

LOMBARD

Council housing and equality

BY PETER RIDDELL

THE DEBATE about the sale of council houses to existing tenants has so far tended to ignore the implications for the distribution of wealth. Yet one of the main arguments for such sales is that they would promote greater equality. This is in contrast to the present system, which sees almost designed to lead to greater inequality. Contrary to Labour mythology the present structure is actually creating two nations—one of owner occupiers and their heirs and the other of council tenants.

The explanation lies in both the rise in the number of owner occupiers and, more significantly, in the sharp rise in house prices. The owner-occupied share of the total housing stock was less than a third in the late 1930s but rose dramatically in the 20 years after the war. It is now increasing more slowly with a current share of around 55 per cent. Meanwhile, the average value of a house has soared. In the last decade alone the average price in the UK has increased by 4 times to well over £18,000, according to a survey of building society mortgage completions.

More subtle

A popular view is that the rise in prices has merely created paper gains. It is argued that even if you sell an existing house at a profit, most, if not all, of the money has to be reinvested in a new home. But the impact is more subtle. There are clear wealth effects from the rise in prices, producing a sense of greater financial security. After all, someone who took out a 90 per cent mortgage on a average priced house five years ago will have seen their equity stake in the house rise by nearly eight times. Even with a lower percentage mortgage the increase in absolute wealth is large before allowing for the repayment of capital on a mortgage.

This wealth can always be realised if housing requirements alter. For instance, a move to a smaller house when children have grown up can mean that part of the rise in value fo a larger house can be used to form a pool of realisable capital.

But perhaps the most important resultof the post-war changes is when a house is passed from one generation to another on the death of the remaining parent. Whereas in the past children might have occupied their parents' house, the growth of owner occupation has made it much more likely that the children—say in their late 20s or 30s—will be owner occupiers themselves. Consequently the inherited house is likely to be sold, producing quite a substantial amount of capital for people who often do not have any other large liquid investments.

Subsidies

These transfers are likely to increase significantly over the next decade as the generation who became owner occupiers just after the war dies. The result will not necessarily alter the distribution between the very top and very bottom ends of the scale but will increase inequality between owner occupiers and the two-fifths of households which rent.

It can be argued that while council house tenants may have sacrifired these long-term potential gains, they receive short-term benefits in the form of subsidised rents. This is hardly convincing since owner occupiers are also heavily subsidised through mortgage interest relief—though it is pointless to attempt any precise comparison of the two.

Consequently, there is a strong case for giving council tenants an equity stake in their houses—either directly via an outright sale or indirectly via some mixed scheme. Proposals have been put forward in which the council retains partial ownership and the tenant receives some of the benefit from the rise in house prices.

Distortions

It is by no means clear how many council tenants would want to buy a share in their homes but given certain safeguards—not least for those on waiting lists—they should be offered the opportunity. This could be combined with other measures which remove some of the present distortions from the housing market by phasing out both rent subsidies and mortgage interest relief over a period of several years.

Commission with tomato on its face

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THE EUROPEAN Commission's greed for pieces of paper, to which it attaches the same importance as to the events recorded in them, provides ammunition for those who oppose the Community and is a constant source of embarrassment to its friends. An extreme example of Brussel's exaggerated concern for its files has been recently disposed of by the European Court in its judgment (No. 122/78) in the dispute between S. A. Buitoni, an importer of tomato concentrate, and "Fonds," the French agricultural intervention agency.

Buitoni obtained import licences for a total of 2,900 tonnes of tomato concentrate. Under the EEC system, to ask for a licence also means an obligation to make use of it—otherwise the import quotas might be left unexhausted and some of the mountains of agricultural produce, the result of Brussels' careful planning, might be a little smaller. To make quite sure the recipients of export and import licences really use them the Commission requires them to deposit a substantial security—in the case of Buitoni this amounted to some £18,000—over £3 per pound of the tomato concentrate.

Failure to export or import within the period of validity of the licence results in the loss of the deposit and this is a pretty powerful incentive for the traders not to upset EEC planning. The loss of the deposit is total if the trader has utilised less than 5 per cent of the entitlement but if he has made a greater partial use of the licence he can get back a coresponding proportion of the deposit.

Great worriers

So far so good. The deterrent worked and the officials of the Agricultural Directorate should have been able to sleep soundly in the knowledge that the flows of trade corresponded almost exactly to the routes determined by the issue of licences. However, the officials are great worriers and their sleep continued to be disturbed by the fact that the national intervention agencies were not equally diligent in collecting from the traders' customs certificates witnessing the imports and exports actually transacted. Though a belated return of a customs certificate cost the trader quite a bit of interest (for the money deposited when obtaining the licence) the Commission wanted to make doubly sure that there would be no delay which would expose its officials to the strain of "keeping the file open" for longer than absolutely necessary. Quick with the pen, as always, the Commission therefore made on March 5, 1976 yet another regulation No. 499/76, which has laid down that even if the trader completely fulfilled his "obligation" to export or import, he should still lose his entire deposit if he failed to return the Customs' certificate within six months of the expiry of his licence.

Buitoni was one of the first hit by the new measure. It imported the tomato concentrate in good time, alas during the staff holiday period, and the certificate was mislaid. No reminder was received and when the certificate was discovered, the six months' time limit had expired. "Fonds" refused to return the deposit. Buitoni asked a French Court to say that regulation 499/76 was invalid as the Commission had no power to prescribe such nonsense.

The European judges, to whom the French Court had passed the buck, agreed that the Commission had once again made an ass of EEC law. Administrative convenience, though important, they said was secondary to the objective for which the system of deposits was instituted. In any case, it was unfair, they found, to punish a trader—who had done what he promised and was merely slow in proving it — more severely than another who met his obligation to the extent of 6 per cent only but returned the Customs' certificate in time. Accordingly, the Court declared that this provision of the Commission's regulation 499/76 is not valid. Buitoni should get its deposit back.

* * *

THE COMMISSION jealously guards its right to regulate certain agricultural markets—maintaining prices by means of quotas, levies, bonuses and intervention buying on stockpiles, later given away or sold cheaply. It hates nothing more than when member governments try to do the same. Traders who disregard national marketing systems and are taken by national institutions to court, can be sure of the helping hand of the Commission. This recently helped Mr. Redmond to defeat the Northern Ireland Pig Marketing Board (Eur. Ct. Case 83/78, FT Business and the Courts, Nov. 23rd, 1978) and is likely also to help McCarron and Co., in its dispute with the Pigs and Bacon Commission of the Irish Republic.

The dispute, referred from the High Court of Ireland, presents the European Court (as Case 177/78) with a formidable complex of issues. Should the Court decide them in the same spirit which moved it recently to outlaw (wrongly, in my opinion) the British Potato Board, national marketing organisations throughout the Community are in for some shocks.

McCarron and Co. operates one of the largest curing factories in Ireland, and this is well placed for exporting to the British market where it was successful before it was obliged to go through PBC. It found that the PBC is of no use to it and as from April 30, 1975, started again to export independently, which it was entitled to do, and stopped paying the relevant levy, contrary to Irish law, contending that it is absolved by Community law. The PBC sued it for £28,594 in respect of levy to September 30, 1975, and any further amounts that may have become due later. McCarron counterclaimed for £52,787—the amount it paid as levy between February 1, 1973, and December 31, 1974—though during this time it also received export bonus totalling £18,832.

It does not speak well for the efficiency of the PBC that since April, 1975 McCarron obtained better returns on its direct exports than it would have done if it had continued to export through the PBC, even allowing for the fact that it has received no internal PBC bonus. But McCarron would have found it increasingly difficult to remain outside the PBC system if it was required by law to pay the levy. But it argued in the High Court that it was not so required because of a wide range of EEC Treaty rules laid down in Articles 16, 34, 37, 40, 85, 88 and 92 to 94.

Unlawful levy

It is impossible to report within the space available how Mr. J. P. Warner, the Advocate General, dealt with all these questions in his Opinion. But he found that the Irish Government's failure to notify the Commission of the alteration and increase in aid granted to bacon exports made both the aid and the levy imposed for financing it unlawful. The levy was, moreover, unlawful also because EEC regulation No. 2759/75, establishing a common organisation of the market in pigmeat makes unlawful any national system which restricts or hinders producers from selling freely anywhere in the Common Market.

If endorsed by the Court, these conclusions should absolve McCarron from paying at least that part of the levy which finances the export bonus.

Troy in big demand

RACING

BY DOMINIC WIGAN

BOOKMAKERS HAVE been quick to fill the vacuum in ante-post betting following Epsom's two classics, and several of the major firms are now attracting business on the Arc de Triomphe and the King George VI and Queen Elizabeth Diamond Stakes in addition to the Irish Sweeps Derby.

Troy, the seven-lengths winner of the 200th Derby and the widest margin scorer in over 50 years, has had his odds for the Irish equivalent slashed from 6-4 to 6-4 on with the Tote, which also reports him in good demand for the King George VI. The Tote goes 9-4 Troy for the Ascot race and 3-1 Ile de Bourbon.

The only other major organisation betting on the King George VI at present is Hills, who offer 3-1 against both Troy and Ile de Bourbon and 5-1 the French Derby winner Topville.

Looking further ahead, Ile de Bourbon and Troy are virtually inseparable in the Arc betting. Ladbrokes go 5-1 the Blueberry four-year-old for that event, with Troy a point longer and Topville at 8-1. The Tote offer both favourites at 5-1 with Topville at 9-1, while Hills again go 5-1 each of two, 6-1 Topville, and 10-1 Three Troikas and Trillion.

Dick Hern has sprung a surprise by electing to saddle Duke of Normandy for this afternoon's Newbury Summer Cup in preference to Rhyme Royal. It had been anticipated that the Queen's four-year-old would make his reappearance in Royal Ascot's Hardwicke Stakes leaving Rhyme Royal and another of that age also owned by the Queen to take in today's race.

But I do not anticipate the switch preventing the Queen from lifting today's event for Duke of Normandy, who has proved himself a tremendous weight carrier.

For the forecast, I believe backers will do best to rely on Herbert Blagrave's Green Guard gelding, Shady Nook, possibly unlucky to go down in the London Gold Cup at Newbury on May 19.

● The Colt Car company has asked to withdraw from sponsorship of the 1980 Grand National, and has agreed that Ladbrokes should open discussions with other potential sponsors. Colt says that it name did not appear sufficiently on BBC Television broadcasts to enable people to recall who sponsored the 1979 Grand National or even if it were sponsored at all.

NEWBURY

2.00—Sandor
2.30—Javinsky
3.00—Duke of Normandy***
3.30—Pitiless Panther
4.00—Royal Rex*
4.30—Cold Blood
5.00—Kevin Keegan**

TV Radio

† Indicates programmes in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.41-11.20 Schools. 1.13 pm News. 1.30 Mr. Benn. 2.00 You and Me. 2.37 Schools. 3.35 Play School. 4.20 Boss Cat. 4.45 Screen Test. 5.10 Blue Peter. 5.35 Fred Basset.

5.40 News.
5.55 Nationwide (London and South-East).
6.20 Nationwide.
7.00 Tomorrow's World.
7.25 Top of the Pops.
8.05 Wildlife on One.
8.30 Rosie.
9.00 News.
9.23 The Deep Concern.
10.15 The Long Walk of Fred Young.
11.05 Tonight.
11.45-11.50 Weather / Regional News.

All Regions as BBC1 except at the following times:

Scotland—3.55-6.20 pm Reporting Scotland. 11.05-11.45 pm Thursday night.

Wales—5.55-6.20 pm Wales Today. 7.20-7.25 Heddiw.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
2.00 pm International Tennis: The Stella Artois Grass Court Championships.
4.50-6.55 Open University.
6.55 Grapevine.
7.25 News.
7.25 News.
7.35 Beside the Sea.
8.00 Newsweek.
8.25 The Paper Chase.
9.25 "All That Heaven Allows" (film) starring Rock Hudson, Jane Wyman.
10.50 International Tennis.
11.30 News.
11.45 Pictures of the Mind.

LONDON

9.30 am Schools Programmes. 12.00 Gideon. 12.10 pm Rainbow. 12.30 The Sullivans. 1.00 News. 1.20 Thames News. 1.30 Crown Court. 2.00 Money Go Round. 2.25 Tennis. 3.20 Sounds of Britain. 3.50 Quick on the Draw. 4.20 Little House on the Prairie. 5.15 Gambit.

5.45 News.
6.00 Thames at Six.
6.25 Help!
6.35 Crossroads.
7.00 Salvage I.
8.00 You're Only Young Twice.
8.30 TV Eye.
9.00 Hazell.
10.30 News.
10.30 Inside Business.
11.30 Lou Grant.
12.00 What The Papers Say.
12.15 am Close.

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 2.25 Colegate Women's Championships. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 7.30 Thundercloud. 10.30 Snooker. 11.00 The Left Hand of God (film) starring Humphrey Bogart. 12.35 World Children's Day.

ATV

12.30 pm The Practice. 1.20 ATV Newsdesk. 2.25 Sister Dora. 4.20 Jonny Quest. 4.50 Sierra. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Format V. 11.00 The Pumpkin Eater (film) starring Anne Bancroft.

BORDER

1.20 pm Border News. 2.00 Houseparty. 4.20 Life and Times of Grizzly Adams. 5.15 Call It Macaroni. 6.00 Lookaround. 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Thingummyjig. 11.00 SWAT. 11.55 Border News.

CHANNEL

1.20 pm Channel News. 4.20 Project UFO. 5.15 Gambit. 6.00 Channel News. 6.10 Ladies First. 7.00 Chips. 10.28 Channel News. 10.35 Chopper Squad. 11.20 McCloud Meets Dracula. 12.40 News and Weather in French.

GRAMPIAN

9.20 am First Thing. 1.20 Grampian News. 5.15 Bailey's Bird. 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 Fantasy Island. 10.30 The Musterbuilders. 11.00 Reflections. 11.05 The New Avengers. 12.00 Grampian Headlines.

GRANADA

1.20 pm Cartoon. 2.25 Sister Dora. 4.20 Project UFO. 5.10 Captain Nemo. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Makin' It. 7.30 Thundercloud. 10.30 What's On. 11.00 What the Papers Say. 11.20 Dan August.

HTV

1.20 pm Report West. 1.25 Report Wales. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Fantasy Island. 7.30 Thundercloud. 10.35 Gallery. 11.05 Sidestreet.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 Penawdau Newyddion. 4.20-4.50 The Doombolz Chase. 4.50-5.20 Seren Wib. 6.00-6.15 Y Dydd. 10.35-11.35 Boxing. 11.35-12.30 am Sidestreet.

HTV West—As HTV General Service except 9.44-9.59 Good Health. 1.20-1.30 Report West. 6.15-6.30 Report West.

SCOTTISH

1.25 News and Road and Weather. 3.50 Quick on the Draw. 4.20 The Roll ... 4.50 Red Gauntlet. 5.15 Popeye. 5.20 Crossroads. 5.45 News. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 What's On Next. 7.30 Thundercloud. 10.30 About Gaelic. 11.00 The Jazz Series. 11.30 Late Call. 11.35 Emergency.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 4.20 Project UFO. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Southern News. 10.35 Cross-Channel. 11.05 The New Avengers. 12.00 What the Papers Say.

TYNE TEES

9.25 am The Good Word. 1.20 pm North East News. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Double Top. 11.05 Canadian Playhouse. 12.00 Epilogue.

ULSTER

1.20 pm Lunchtime. 4.18 Ulster News Headlines. 4.20 Dynomutt. 4.50 Bailey's Bird. 5.15 Cartoon. 5.20 Crossroads. 6.00 Ulster News. 6.20 Police Six. 6.30 Oh, No, It's Selwyn Froggitt. 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Church Report. 11.00 Thursday Night. 11.05 Barnaby Jones. 12.00 Bedtime.

WESTWARD

12.27 pm Gus Honeybun. 1.20 Westward News. 4.20 Project UFO. 5.15 Gambit. 6.00 Westward Diary. 7.00 Chips. 10.32 Westward News. 10.35 Lifespan. 11.05 Politics West. 11.20 McCloud Meets Dracula. 12.40 Faith For Life.

YORKSHIRE

1.20 pm Calendar News. 2.25 Sister Dora. 4.20 Rocket Robin Hood. 4.45 Grizzly Adams. 6.00 Calendar. 7.00 Emmerdale Farm. 7.30 Thundercloud. 10.30 Pro-Celebrity Darts. 11.00 Fantasy Island. 11.55 Police Surgeon.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m
2 693kHz/433m 909kHz/330m & 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92-95vhf
BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary; Weather. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 Ray Moore (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 Thank You, Mrs Fotheringill. 10.30 Star Sound Extra. 11.02 Brian Matthew. 12.00 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Overture (S). 9.00 News. 9.05 This Week's Composer: Bach (S). 10.00 Clarinet and Piano (S). 10.45 In Short. 11.00 Clarinet and Piano (S) part 2. 11.30 17th Century Music (S). 12.05 pm Budapest Symphony Orchestra (S) Concert: Schumann, Durko, Ravel. 1.00 News. 1.05 Bristol Lunchtime Concert (S), Beethoven, Mozart. 2.00 In Repertory (S), Stravinsky: The Rake's Progress. 3.00 Bridge, Ireland and Scott (S). 4.05 Phyllis Tate (S). 4.45 Music for Harpsichord (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home. 7.10 A Musical Ramble (S). 7.30 Finnish National Opera (S): 'The Red Line,' in two acts, by Aulis Sallinen, Act 1. 8.45 Stolen Footballs. 9.05 The Red Line (S), Act 2. 10.00 Boccherini (S). 10.30 Moments of Being. 11.00 Shostakovich and Beethoven (S), cello and piano. 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Desmond Wilcox. 10.00 News. 10.05 Checkpoint. 10.30 Service. 10.45 Story. 11.00 Zbigniew Brzezinski, interview. 11.45 ... 12.00 News. 12.02 pm You and Yours. 12.27 Quote ... Unquote (S). 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Preview. 3.10 Questions to the Prime Minister. 3.35 Afternoon Theatre (S). 4.35 Story Time. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Richter plays Schubert (S). 8.15 "Villi." 8.30 Richter plays Schubert (S), part 2. 9.35 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 Book at Bedtime. 11.15 Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 79. 10.03 Late Night London. 12.00 As Radio 2. 12.05 Question Time. 1.05-5.00 am As Radio 2.

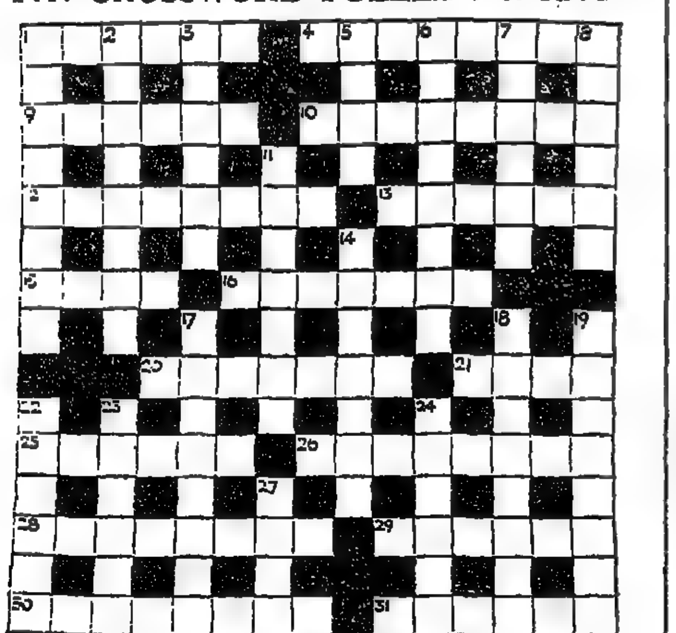
London Broadcasting

5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports with George Gale at 3.00. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Mike Smith's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Peter Young (S). 3.00 Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,995



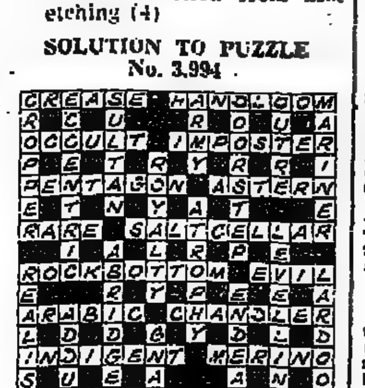
ACROSS

1 Song from ramshackle dwelling (6)
4 Island sailor in plant (8)
9 Joined a group of people going to editor (6)
10 Pass over and stop over goalkeeper's head (8)
12 Wave cereal container (8)
13 Characteristic of the present fashion followed by sailors (6)
15 Part left in fish-eggs (4)
16 One more having no heart broken (7)
20 Wine for doctor to retail to Oriental (7)
21 Pace at which favourites return (4)
25 Thickset trunk joining your head (6)
26 Eastern member in appointment as a representative (8)
28 Unjust action in actors' union (8)
29 Pilfer toy with part of hand (6)
30 Earnest request to dine in vestibule (8)
31 Tale of a foot? (6)

DOWN

1 Stump created to be obstinate (8)
2 Am I to send a telegram to be friendly? (8)
3 Finish in attempt to be fashionable (6)
5 First-class railway is well ventilated (4)
6 Find record completed (8)
7 Saunterer gets left in warning light (6)
8 Sin and contribute to mission (6)
11 Apart, as below (7)
14 One who follows speaker from the south (7)
17 Quite certain it could be birds on river (8)
18 Learner in unfamiliar setting uses choke and throttle (8)
19 Became visible or so it seemed (8)
22 Eagerly desire to make a tower (6)
23 Lots of trees for eastern thoroughfare (6)
24 Soldiers accept evil abuse (6)
27 Restore deletion from first etching (4)

SOLUTION TO PUZZLE No. 3,994



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161 till June 30 NUREYEV FESTIVAL Tonight 7.45. Mat Today & Sat at 2.30: Until Sat: Sleeping Beauty. June 18-21 Conservatoire, The Sanguine Fan, Spectre de la Rose, Scheherazade with LONDON FESTIVAL BALLET ... LOUIS DANCE COMPANY ...

THEATRES

GREENWICH THEATRE. 01-858 7755. Evgs. 8.00. Mats. Sat. 2.30. Molnar's THE PLAY'S THE THING. Adapted by P. G. Wodehouse. "Delightful, witty ... must be seen," S. Tel. "Exhilarating ... splendidly cast." Observer.

THEATRES

SAVOY THEATRE. 01-836 8888. Credit Cards 01-734 4772. BILL PATERSON in WHOSE LIFE IS IT ANYWAY? by BRIAN CLARK "A MOMENTOUS PLAY. I URGE YOU TO SEE IT. IT STIRS THE HEART AND ACTIVATES THE MIND LIKE NOTHING ...

CINEMAS

هكذا من الأصل

EXPORTING COMPETITIVELY.

Why talk to us when most banks seem to offer the same export service?

Because we believe you will find:

1. Our fee structures are highly competitive and often more flexible.
2. Our comprehensive services cover all aspects of exporting including the largest projects.
3. Our front-end financing is often more imaginative.
4. We have considerable experience, over 20 years, of working with E.C.G.D.
5. Our commercial loan documentation is often simpler and more concise.
6. Our decisions are fast.

We deliver.

Map by George Philip and Son Ltd. © 1978.

Test us.

Midland Bank International

Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN. Tel: 01-606 9944. Telex: 888401.

And remember–we deliver a range of international services no other bank can offer.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATION

Sends on the message

NEW FROM Philips Telecommunication Industries is a message switching system that brings the company additionally into the smaller end of the market.

Called DSX-40, this microprocessor-based equipment can handle up to 40 lines, providing store and forward transmission of messages via the public telex network or leased telegraph circuits with interfacing to the PABX for transmission of text or other data at up to 9600 bits/sec.

Market objective is those organisations that are upgrading their existing data communications systems from traditional telex room operations.

Facilities of DSX-40 include completely automatic routeing of traffic, code and speed conversion, mnemonic addressing, and multi-address, group and priority routeing. It also offers formatting and editing assistance, logging, statistics and accounting, from a VDU operator position. A modular approach allows as few as two or three external lines to be connected in the first instance.

More from P.O. Box 32, 1200 JD, Hilversum, The Netherlands.

● SECURITY

Detects any movement

SECURITY TELEVISION equipment from Reliance Systems, Turnells Mill Lane, Wellingborough, Northants (0933 225000) is able to detect the presence of an intruder by the movements he makes and also speak to him over a loudspeaker system.

By training each camera on a fixed area and electronically comparing each picture frame with the last, the equipment can detect movement and then switch the relevant camera on to the security officer's monitor.

Cameras can be manually controlled by a joy-stick operation from the security base to follow an intruder's movements. With linked microphone and loudspeakers, security staff can address the intruder and hear his reply, if any, from safety. A video tape machine can record all the events if required.

● COMPUTERS

Need for large systems will continue

IN A discussion at the National Computer Conference just held in New York more data became available on the large-scale computer systems studies which have been done by CDC and Burroughs, and which are all part of the build up to the creation of a very large and powerful system to be funded by the U.S. Government.

It also became apparent that ICL's 1977 decision was right, though it was not allowed to bid for the contract: when the U.S. system is eventually built it will have a high degree of parallel processing. ICL's array processor will look as if it was the right place to start.

The Burroughs and CDC studies are for equipment on which to do numerical aerodynamic simulation. The requirement is for a unit which can increase throughput over the CDC 7600 by eighty times.

A recently completed survey, to be published within a couple of months indicates that far from the micro gobbling up everything in sight, it is having a reverse effect at the "big end." The would-be large user base is growing, for people can see that the micro makes possible new architectures, and these can handle problems which were until recently thought of as being unsolvable.

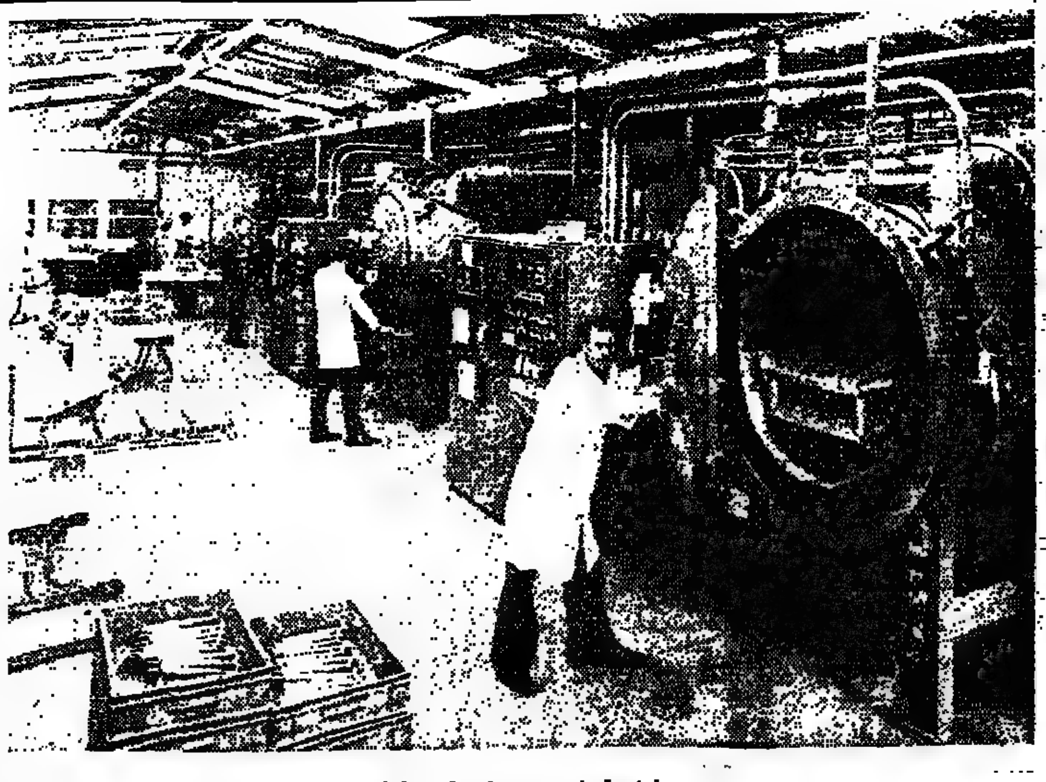
A questionnaire has brought out potential uses for huge machines in software development, nuclear engineering, plasma physics, the study of structures, quantum chemistry, computational fluid dynamics, and meteorology.

The question is, however, whether the technology is advancing as fast as requirements are increasing. The consensus both in public and private is that while advances in VLSI manufacture and technique are well publicised, and while builders have some glimmerings of the possibilities within array architecture, advances are not matched by genuine advances in the architecture following detailed studies which could lead to practical machine design.

Increases are required in local memory that is, memory within the system. There are already problems which require a memory increase of five to six times that achieved on any system in use today. And these arise in many areas.

One problem in chemistry, which would have an economic pay off could require 100,000 hours of computer time on the most powerful system in use today.

A speaker from Los Alamos pointed out that in fusion power plasma simulation there was doubt that there could ever be a system large and powerful enough. In theory the problem should be susceptible to a computational solution, in practice no technology can currently be foreseen on which attempts might be made to find such solutions. Yet achieving useful fusion power, might depend ultimately on application of powerful computational equipment.



▲ Torvac has completed the first stage of a big expansion programme of its sub-contract processing operation in Skelmersdale, Lancs. The expansion, which, when completed, will represent an investment of over £300,000, involves installation of three new vacuum furnaces and an additional electron-beam welder, construction of new offices and storage facilities and engagement of extra staff.

As a result of the additional investment, turnover at Skelmersdale is expected to exceed £¾m during 1979, with a substantial amount of the new business coming from high-technology industries such as aerospace and nuclear engineering.

The company now has the capability to process many types of jobs, with five vacuum furnaces ranging from the modular Torvac 36MU front-loading unit up to the large-volume pressurised gas cooled Abar units. The additional vacuum furnace and electron beam welding capacity at Skelmersdale, coupled with increased facilities at Torvac's other processing plants at Coventry and Waterbeach, near Cambridge, make the Torvac Group one of the largest sub-contract organisations of its type in Europe.

● CONSTRUCTION

Hollow units designed to save heat

IN AN energy-conserving design of building evolved in Finland, which looks something like hollow "Lego," the facade facing south is constructed in such a way that almost its entire surface absorbs solar energy.

The windows are made as large as possible, and the surface of the vertical channels between the windows is designed so that it absorbs sunlight effectively.

The heated air thus obtained is conducted into the hollow structure whose channels are heat-insulated. Solar energy is absorbed by the roof structure of the building.

Energy is obtained in the solar facade installation elements without expensive auxiliary equipment and the entire installation with its element channels and all heating, water and air conditioning, electrical, and other equipment is factory made on an assembly line, which is a most effective way of reducing production costs.

Part of the air is blown storey by storey into the room spaces, part of it is conducted through the glazing gap directly to the return channel, and part circulates through the lower section of the element. The air passing through the glazing gap carries off the heat energy absorbed in the windows accumulator strips through the internal channels to the central pumping apparatus on the roof.

Stale air is extracted from the rooms through one of the window exhausts.

One effect of the arrangement is that cold down-draught close to the windows is eliminated. The useful space of any room thus increases. The outer wall and its window are kept warm.

The relative humidity increases and a feeling of an "ideal dwelling temperature" is reached at a temperature which is 2 degrees C lower than in conventional room spaces, the developers say. This alone results in a saving of about 10 per cent in energy consumption.

Because of modular design, initial costs of a building are reduced. Prefabrication level of the structural elements is very high and the number of different elements small.

No hot water circulation is needed and no separate, complicated and expensive air-conditioning channel system.

Electrical, telephone and other wiring are for the most part included in the installation elements.

Compared to a conventional water-heated and traditionally air-conditioned office building (in Finland), estimated savings run to about 80 per cent in terms of energy demand.

More details from Pekka Lilja, Siilitie 5B10, 00800 Helsinki 80, Finland.

● STORAGE

Measures amounts of liquid

PUMA, which stands for pulsed ultrasonic measuring apparatus, is a continuous liquid measuring unit with ability to expand to suit multi-tank operations in applications such as breweries, petro-chemical refineries and tank farms of all types.

Use of very high accuracy transducers fitted in the bases of the tanks to be monitored allows readings to be made to an accuracy of one centimetre in 30 metres. A single set of electronic equipment constructed of microprocessor and back-up packages, allows the liquid height in up to 16 different tanks to be monitored continuously.

Signals from the tanks are scanned using a time division multiplexing technique before being passed to the microprocessor for processing and display. Both remote and local display facilities are available so that readings from a large number of vessels can be handled at a central control point.

A programmable alarm system is included and the operator can test the state of any tank at any time by pushing a button. The system can also be linked to visual display units and data printers.

William McGeoch and Co. (Birmingham), 124 Electric Avenue, Witton, Birmingham B6 7DZ.

Checks the level and flow

A NUMBER of level and flow checks can be made with an ultrasonic level switch now available in the UK from Westech Instrumentation Systems (Intl.).

This piezo-electric ceramic emitter-detector can for example, be fixed to the wall of a tank and linked to a control unit by triaxial cable. It will then produce a signal change as soon as the level in the tank drops below that of the probe because in a gaseous atmosphere the signals will be absorbed rather than reflected from the opposite wall as in the liquid. Alternatively, interfaces between different liquids will give a detectable signal change.

It is also possible to use the unit from the bottom of the tank, bouncing the pulses off the surface.

The probe can also be fixed externally to a pipeline to detect liquid vapour interfaces or the passage of scrapers and pigs.

No holes are required in walls since the 1 MHz pulses are propagated through the metal.

More from the company at Binary House, Park Road, Barnet, Herts. (449 7161).

● NAVIGATION

Weather is shown in colour

RCA Avionics Systems has developed the Primus-500, first beacon radar with weather display in colour for use in helicopters and fixed wing aircraft.

It provides the pilot with simultaneous beacon navigation and weather, or map information.

The pilot can easily interpret weather conditions with the system's display of light rainfall in green, medium in yellow and heavy precipitation in red. In the "map" position, the colours change to blue for light radar ground returns, yellow for medium and magenta for heavy returns. Beacon returns will then be displayed in white.

Fully stabilised, the radar has ranges up to 200 nautical miles. For the short ranges also required in helicopter radar operation, a narrow pulse width produces the necessary high resolution targets.

In addition, the Primus-500 features cyclic contour, self-test, freeze, target alert, distinct azimuth lines and, finally, a sector scan angle of 60 or 120 degrees, either angle selectable by pushing a button.

RCA Avionics Systems, 8500 Balboa Blvd., Van Nuys, California, U.S., 91409.

● MATERIALS

Improves greenhouse yields

RESULTS OBTAINED from several large hothouses built of Qualex polycarbonate structured sheet show that use of that material could result in substantial savings.

It has excellent light-transmission and thermal insulation qualities. The 6mm thick sheet incorporates air spaces of more than 5mm. Compared with 3mm glass, it transmits at least as much of the solar radiation that plants need and only about 50 per cent of the heat. Significantly, neither light transmission nor physical characteristics of the material change due to ageing or exposure to radiation, including ultra-violet.

A British study has analysed Qualex's light transmission properties at different wavelength bands. The tests found that it is virtually opaque to damaging short wavelengths and also has desirable selectivity in the infra-red range: while Qualex transmits the desired wavelengths very well, it is nearly opaque to "lack body" radiation at the wavelengths at which heat is radiated away from the plants during the night.

The result is that the material optimises utilisation of free solar energy, while sharply reducing the need for supplementary heating. Add to that its light weight—it requires little structural support and ribbing—and its very high impact resistance, and the economic advantage is obvious. The British study indicates the additional original cost—Qualex is more expensive than glass—at about 12.5 per cent. However, the initial cost is amortized by fuel savings and a long and maintenance-free life.

Q Company, POB 20060, Tel Aviv, Israel.

THE ARTS

Record Review

Turning on the heat

by KEVIN HENRIQUES

Hotter Than Hades. The Midnite Follies Orchestra. Odeon ODN 1001
The Radio Leicester Big Band. Miller Records 0107 SL
Havin' Fun! Digby Fairweather. Black Lion BLP 12175
All of Me. Freddie Kohlman. Camelia TF1
Me, Myself An Eye. Charles Mingus. Atlantic Records K50571

Since its stunning debut at the 100 Club in London 18 months ago the Midnite Follies Orchestra has garnered a large and loyal following. This 13-piecer has a diverse repertoire encompassing among others, the music of Duke Ellington, Cab Calloway, Jimmy Lunceford and Fletcher Henderson as well as originals by its co-leaders Keith Nicols and Alan Cohen. In fact the title track of the band's first LP is by pianist Nicols. A well-constructed piece, it cleverly evokes, but does not copy, the big band writing of the 1930s and also along the way enables Nicols to display some nifty stride piano.

Like the Midnite Follies itself his composition is not merely imitative. Nicols, along with Alan Cohen, is also responsible for the arrangements which are never ugly distortions of the originals. The soloists are free to improvise in their own style and are not required to faithfully reproduce the old solos. Thus this is no sad ghost band: it is entirely valid in its own right.

Its best soloists—Alan Elsdon, Digby Fairweather and Johnny Barnes especially—are in cracking form on the 14 tracks which include "Stormy Weather," "Double Check Stomp" and "Jazznochracy." They are positively aided by the rhythm section which is more relaxed and comfortable than 18 months ago.

Despite the eminently dispensable crooning on six tracks of Johnny M who, admittedly, is better heard rather than seen and heard, this studio-recorded album faithfully reproduces the zestful style and crisp attack of the MFO on its live dates.

*

Big band sounds of a more contemporary nature come from another British source, the Radio Leicester Big Band, which has been attracting a lot of attention and comment.

Justifiably so, on the evidence of its varied first recording which is a blend of standards and originals. On most tracks over 20 musicians are used, including a french horn section. Thus there is a solid-sounding "bottom" to several items, not least the Stan Kenton evergreen "Painted Rhythm" where the trumpets can be compared favurably with past Kenton sections and on which pianist David Hargreaves is certainly a looser performer than Stan the Man!

Occasionally the band's size prevents tunes swinging along effortlessly, but this is a small failing in a unit which clearly exists to play a varied selection of music (two Radio Leicester programme signature tunes are included here!) for a wide public without making artistic concessions.

Not all the tracks feature the full band, and among the most successful small group items are "XIth Commandment," a Chuck Mangione piece, where flugelhornist Liz Lloyd recaptures Mangione's own sound, and "Crosstalk," a duet between bassist Roger Eames and flugelhornist Terry Willits, who skilfully exchange phrases in a musical conversation. Other notable contributions come elsewhere from David Collinson on vibes and Barry Harvey on tenor-sax.

*

As mentioned earlier, one of the featured instrumentalists on the *Hotter than Hades* release is Digby Fairweather (now, alas, no longer with the MFO) whose first solo album is one of the most enjoyable to come from a British musician in a long, long time. Side one comprises six tracks with his three colleagues from the smooth-playing group Velvet. Heavily reminiscent of the short-lived but unforgettable Ruby Braff/George Barnes quartet of 1972-1975 this two-guitar, bass, trumpet format plays polished, elegant, sophisticated but never predictable or cloying jazz.

Fairweather is an agile, bustling trumpeter, always exploring, ever restless, never content to coast along and repeat easy cliches (though one notices a particular growling effect he has taken a fancy to). His playing also contains that admirable gift of humour. His exchanges with guitarist Denny Wright, especially in "It Don't Mean a Thing," are fiery but it is the interplay and rapport between the four musicians which makes Velvet one of the really unusual quartets in Britain today.

On Side Two Fairweather joins pianist Fred Hunt, one of this country's foremost swing pianists, in five duets on which both have space to stretch out. Here are two musicians with wide-open ears playing for each other, not for themselves. Fred Hunt, as well as being a perfect accompanist, is a fine soloist in his own right, straight from the Hines-Waller-Wilson school of melodic playing. He is also the composer of the engaging title track.

*

Simpler, less sophisticated jazz is heard on *All of Me*, an album featuring New Orleans drummer Freddie Kohlman with three British musicians who normally form the bulk of the Inter Cities Jazz Band.

Kohlman is one of New Orleans' ubiquitous characters. He plays drums in marching bands in the city, leads his own group in a Bourbon Street bar and finds time to perform in Europe. It was during a short stay in Britain that this LP was recorded at the Pizza Express, Dean Street, in 1977 and it will appeal mainly to keen devotees of New Orleans music.

Though Kohlman's drumming style may be a revelation in the trad jazz world his frequent heavy snare drum rolls and bass drum accents are hardly revolutionary in other jazz styles. He and the Britishers unsparklingly perform some familiar titles (e.g., "Basin Street Blues," "Panama," "Indiana," etc.) without ever really getting the listener excited.

Dick Cook is the most moving of the musicians, playing Creole clarinet with all the warmth of a New Orleanian. Kohlman's insistent drum rolls kick Cook to lofty heights in several places and elsewhere they have a similar effect on the other musicians. Alas, Kohlman also sings and unfortunately he indulges in Louis Armstrong impersonations. Enough *said!*

*

Despite the several merits of the preceding albums (all recorded in this country with British musicians) there is no doubt which is the most important record to be released in recent months. *Me, Myself An Eye* is an album of music composed by Charles Mingus who died in January this year and in truth really merits a full-length review to itself.

Centrepiece is "Three Worlds of Drums," a typically emotional Mingus work which contains almost all those characteristics associated with this volcanic personality—and more besides: wild dissonances which never become abrasive; rough emotion; deep textures in the writing (which is for a large band of 25); exhilaration; exciting climaxes; the building and diminishing of tension; above all the overwhelming spirit of his music. In short, all the hallmarks of a Mingus magnum opus.

Perhaps he could have been better served by his soloists. Larry Coryell's heavy electric rock guitar, with its swirling, muddy sounds, is out of place, while other lacklustre solo contributions make one impatient for the written development of the work to continue.

Royal Shakespeare Theatre, Stratford-upon-Avon

Twelfth Night

by GARRY O'CONNOR

Acts One and Two are given a chillingly wintry setting in Terry Hands' otherwise mainly orthodox and highly enjoyable approach in this new *Twelfth Night* which joins the repertoire. Frosted crates which serve as seats and also, sometimes, as lanterns when illuminated from within, beneath bare, silvered trees, evoke a deserted Parisian square with a blurred, watery, full moon above. To be realistic the edges of the moon should be more sharp in a frost, but all precise sense of locale is hazy also. Orsino strides on, a love sick, bohemian poet, perhaps; then follows Viola, washed up on a seashore. Both these scenes take place at night in John Napier's single setting.

The inattention to a proper time sequence becomes most glaring when after Act Two the seasons change: spring leaves sprout on the trees, and appropriately enough for this play narcissi and white tulips deck the stage. All very effective and decorous, but it does ignore the necessity that Act Three, scenes one and two must follow a matter of hours only after the previous scene. Malvolio would not wait four months before appearing cross-gartered and in yellow stockings.

Leonard Burt

Kate Nicholls, Gareth Thomas and Cherie Lunghi

Apart from this the main thrust of comic action is well served. Orsino's unreal mood of sentimentality is delivered at white heat by Gareth Thomas: he speaks too quickly at the beginning but his vigour and ability to command attention is never in question. Willoughby Goddard and John McEnery as Belch and Aguecheek respectively make sure no chance for down to earth foolery, as well as sexual innuendo, is overlooked. John Woodvine's slow-paced, magisterial Malvolio is built brick by brick into a tour de force: no action is mistimed, no energy misspent. Equally good though less spectacular is Geoffrey Hutchings' gnarled and wry Feste: his economy is admirable.

Olivia, always a difficult part to handle imaginatively, succeeds at first when Kate Nicholls, masked and hooded, keeps something from the world, but too soon she grows too flamboyant, too exaggerated, in spite of radiant looks which need no such emphasis to make an effect. Stephen Rachbrook is cast too patently for his physical similarity to the Viola of Cherie Lunghi: his acting falls short of the part's demands though admittedly a difficult one to enter into. Miss Lunghi's Viola has much to recommend it: vividness, sincerity, charm.

Sadler's Wells

The Last Temptations

by NICHOLAS KENYON

Among contemporary operas, *The Last Temptations* by Joonas and Lauri Kokkonen has acquired a considerable reputation. In Finland it is almost a cult work, and reports that have come back to England from those who visited performances of this and other Finnish operas by the National Opera have suggested that it forms part of a uniquely fruitful operatic renaissance in the country. Perhaps, the rumour goes, opera is alive and well and living in Finland.

Now London has the chance to judge for itself, for both the National Opera, and Ballet are at Sadler's Wells for a short season: Sallinen's opera *The Red Line* is on tonight, and the ballet *Gayane* on Friday and Saturday. Tuesday's performance of *The Last Temptations* was indeed deeply impressive. The work is profoundly grim, a story of the personal struggles of the Finnish evangelist Paavo Ruotsalainen against the darker sides of his character. Joonas Kokkonen's music is constantly vivid, with its carefully-controlled washes of orchestral colour, its fine intensifications of the most powerful psychological moments in the plot, and its well-balanced, unhurried pacing (there are 14 scenes in two acts, each linked by orchestral interludes).

Above all, there is most effective vocal writing which rises over the orchestra in a far more memorable and easeful manner than in many 20th-century works: and Tuesday night's cast, with Martti Talvela as Paavo, Ritva Auvinen as his wife, and Seppo Ruohonen as his son, sang it with full, rich, glorious voices. These were all guest artists, but the standard of the regular company members was no less suited to their parts—the esemble in both singing and acting is superb, the production unoriginal but sensible, and the overall effect very powerful.

If through all this there comes an impression that I was nevertheless unable to share wholeheartedly in the rousing cheers and ovations at the fall of the curtain, then that is intended: I simply found, for my taste, the opera's content unsatisfactory. Paavo is portrayed as an utterly bleak character: we see nothing of the rhetorical power, the grip on an audience which he must have had at the heights of his activity as an evangelical preacher. He is totally at odds with the world, with his family (who in an anguished twist turn out, on his deathbed, to be those who have tormented him all his life). His failure, as we see it, is too deep and complete to be suddenly transformed

Ritva Auvinen and Martti Talvela

into acceptance by the mere singing of a chorale (of which there are many in the opera), "The barrier of Heaven," of which he is so concious—though his wife Ritva crosses it with uncomplicated ease as she dies—remains in place throughout the opera.

And musically, though as I have indicated the score is enormously competent, it seems to me to lack that last characteristic of surprise, of revelation which distinguishes the great from the good. *The Last Temptation* is a very good opera, and to those who like a dour evening in the evening it may be unsurpassable. But I could not honestly put it on the list of operas I would wish to study, to get to know, and to live with.

German Embassy/Elizabeth Hall

Merscher/Igloi

by DOMINIC GILL

The 17-year-old pianist Kristin Merscher from Germany reached the semi-final recital stage of the Leeds Piano Competition last year, and I called her then "probably one of the most sensationally gifted pianists ever to appear on the *competition platform.*" She was young, certainly: at 17 no musician is mature and fully-formed. But her gifts were already remarkable, and precisely those, I suggested, which any competition should fall over backwards to catch and acknowledge. What grey, moralising, mealy-minded judgment was it of the jury's that prevented us from hearing her concerto finale?

The circumstances of Miss Merscher's London debut on Monday night—the musical bouquet and centrepiece of a 100th-birthday party given at the German Embassy in honour of Sir Robert Mayer—were less auspicious than they had been at Leeds. Her right arm had been badly bruised in a car accident a few days before, and she had only a small boudoir grand to play on, stiff-keyed, without brightness or resonance. She had to be content to fight with, not caress, her keyboard, and to pass over much of the subtler colouring of the music; but there was a great deal still to admire, and for those who had heard her Leeds recital, to remember—a sparkling second Book of Brahms Paganini Etudes, beautifully gauged and graded; Schumann's Abegg Variations, quick and clean and cool: and a Liszt "Feux follets," delivered with delicacy and brilliance, and best of all, a splendid sense of humour.

Miss Merscher has years enough ahead of her, and is wisely not making bids too high too soon. But perhaps it will not be too long before we hear her, say, at the Wigmore Hall: and on a properly-voiced, professional instrument.

*

The tragic suicide of the cellist Thomas Igloi in 1976 robbed us of one of our most gifted and promising young *musicians. A number of* concerts since then have commemorated his brief but active career: the latest of these, given on Tuesday by four distinguished musicians, two of them, like Igloi, Hungarian, served to promote the Trust Fund for promising young string players which bears Igloi's name. The evening's high point was a performance of Bartok's sonata for solo violin, given with admirable bite and presence by Erich Gruenberg—who was supported also in Kodaly's violin and cello Duo op. 7 capably by Karoly Botvay, and forcefully in Bartok's *Contrasts* by the clarinettist Anthony Pay.

Palladium

The King and I

by ANTONY THORNCROFT

On the day of a Budget based on change the Palladium lifted the curtain on the past, on a gracious age of escapism and fantasy. *The King and I* returned to London, bringing back the 1950s, confidence, and melody. Judging by the forward bookings this Richard Rodgers and Oscar Hammerstein II musical will see out the Government, as long as Yul Brynner sticks with the razor and the thick Thai accent.

The music may be heavy with cloy; the lyrics predictable; the sentiments trite, but the production has broken box office records in the U.S. and has the kind of confidence in the value of money that should repeat the process here. It looks magnificent and the casting is superb. The set piece scenes, with cute oriental infants and pretty oriental ladies, are presented with enough assurance to silence the carpiest critic. This is a very handsome peep at Thai history: no expenditure cuts here.

And oddly enough the history is fairly accurate. Mrs. Anna Leonowens, a Welsh widow, did take up the post of teacher to the children and wives of the Siamese autocrat. There were squabbles over her house; she did send back his presents; she did educate his son, who abandoned slavery on ascending the throne. She did not, perhaps, ward off British gunboats, or give the King a seizure, or polka with him, but this is show business. The factual signposts give an integrity to the piece, which even the inevitability of Yul Brynner cannot destroy.

Brynner owes his stardom to his first night on Broadway as the King, 28 years ago, and little has changed since. He glides through the role, hiding too much of the dialogue with gutteral grunts, and now portraying the King as a bit of a softy. He lost his personality in the part years ago but at least he gives a hard, resonant core around which the other players can take their chances and Virginia McKenna, as Anna, certainly seizes hers. After early nerves she is the perfect lady, indeed the perfect English lady if that is forgivable in a Welsh governess. The voice is not dominating but it is plucky and there is a grace and integrity in her acting which make more of the plot than it deserves.

But the strength of the show lies in the cast. The silks and the costume jewellery are draped around authentic looking bodies and June Angela and Marty Rhone, as the star crossed lovers, get the kind of acclaim usually hogged by the stars. Hye-Young Choi also impresses as Lady Thiang. The sets, too, are pantomime plus standard and although the sound had trouble with the static, the lighting was an improvement on recent Palladium practice.

With such an assurance of success the performance has a ritualistic charm. This is hardly Richard Rodgers' best score; the strings are to soaked in honey, the melodies a pastich of romanticism. There is not a thought-provoking line in the show. But with Jerome Robbins contributing an arresting ballet when the plot runs out, and the ending as surprisingly downbeat as in Evita, *The King and I* will keep its place among the great Broadway musicals and this revival does not shame the tradition.

Leonard Burt

Virginia McKenna and Yul Brynner

Arts news in brief

The arts must bear some of the burden of the Government's expenditure cuts. Most of the savings of almost £3m will come from cutbacks in housing the arts but the Arts Council has had its 1979-80 budget reduced by 2 per cent, or £1.14m. As a result its 1,200 clients are being informed that their grants are being cut by 2 per cent across the board.

However, in order to keep disruption to a minimum the clients have also been told that they can spend up to their allocated grants this year: they will enter the new financial year, starting in April, 1980, with 2 per cent deficits, and then the problem will be faced. Perhaps the Arts Council hopes for a larger grant in 1980-81 and make good the short-falls then.

*

Vyvyan Lorrayne, who joined The Royal Ballet in 1958, is leaving the company at the end of this season at Sadler's Wells Theatre and will make her final appearance with the company on Saturday September 22 (matinee) in *La Fête étrange*.

Brian Bertscher, who joined The Royal Ballet in 1964, is also leaving the company. His final appearance will be in *Pineapple Poll* on Saturday September 22 (evening).

Michael Corder will rejoin The Royal Ballet as a soloist from Monday August 27.

JOBS COLUMN and APPOINTMENTS

Singular pair of marketing opportunities

BY MICHAEL DIXON

MEET a gentleman with a dilemma, part of which is that he cannot be named here without exacerbating his difficulty.

His company is failing to achieve sufficient in-depth distribution of its product range. This aim is complicated by the need to market the products, whose pattern of distribution resembles that of the toy industry, both to wholesale and to retail outlets. A particular bugbear has apparently been failure to foresee when and where actual sales are liable to fall well short of those forecast.

He thinks the problem could best be overcome by engaging the right kind of sales director, whom he suspects must be a rare animal. So he is discussing the matter with consultants.

Being in a hurry, however, he has come to the Jobs Column with a view to expediting the search especially since, I gather, the right candidate could be working anywhere in the world provided that he or she is linguistically and otherwise culturally transferable to a London-based concern. Which raises another problem.

It is how to guarantee proper security to such Jobs Column readers as might wish to apply for this director's job when neither the company nor, as yet, the recruitment consultants may be named. And the answer is, I'm glad to say, the newly invented Resource Exchange (on which, for the benefit of *regular readers, a further progress report will appear during* the next two or three weeks).

Anyone interested in the job should write, with outline of appropriate achievements, to Michael Bretherton, Resource Exchange, 5 St. James's Place, London SW1A INP—telex 97180. Those wishing not to be identified to any particular employer should specify in a covering letter those to whom the application should not be sent. And the Resource Exchange will abide by those instructions. That being said, I'll tell you what sort of person the managing director in the case has in mind.

The preferred age-range is 30-40. During that time, candidates should have earned success in controlling the sales force of a concern dealing in toys, gifts, confectionery or the like. Behind this success will lie demonstrable skill in budgeting and forecasting. Previous responsibility for profits will be a distinct advantage. So will experience of contributing to marketing plans and to main Board decisions.

In particular, the newcomer must be capable of putting into force and keeping check on distribution *objectives, sales-call* cycles, and merchandising drives, and of identifying and responding aptly to market trends. Familiarity with television promotions and with demonstrating products in stores will be among useful extras.

Rewards will be £12,000-£13,000 at present sales levels, plus an incentive based on additional turnover which should add another £5,000-£7,500. *Negotiable perks*, and a prospect of a share in the equity complete the list.

Pioneer

ANOTHER PROBLEM in the marketing area has been brought by head-hunter Richard Robinson, of the Otteridge consultancy. He is seeking a marketing manager on behalf of Gerald Moss, managing director of the burgeoning employment agency Rand Services, who I am told admits that one of his "problems" is that he gets on with most people, but beyond that is "as sharp as a razor." Next for shaving, apparently, are the employment markets of certain overseas countries where Mr. Moss is keen for Rand to expand.

It is not just himself or herself that the newcomer will have to insert into the London headquarters, but also the concept *and techniques of marketing* itself which, to most intents and purposes, have been absent hitherto. Achieving the necessary acceptance will not be any easier for the fact that the recruit's new colleagues have largely been working with Rand for up to 15 years and, without professional marketing, have been doing fairly nicely. Last year's pre-tax returns of about £400.000 on £5m turnover were reportedly no more than typical in percentage terms.

But Gerald Moss wants to enhance the strong planning, sales and operations teams with a professional marketing approach. One likely task may arise from the fact that with 205 people employed in 45 places in England and Scotland, Rand's Services cover areas of high unemployment as well as others with severe shortages of labour. The same region can be affected by a similar dichotomy between different kinds of industry.

So there is a problem in working out an apposite balance of effort between getting in more business (about a third at present lies in temporary work) from employers, and attracting more individual workers to join the agency as candidates.

Working with Mr. Moss and with Ms Valerie Blair, the general manager, the recuit will have to determine how marketing knowledge and skill can best be applied in Rand. Advertising, market research, projecting *prices and margins, promotion* of business, will doubtless all be among the responsibilities. The provision of associated training may also be included.

Mr. Robinson envisions the right candidate as someone *already in charge or second-in-*command of marketing a service, perhaps in the context of multiple retailing, entertainment, etc., or of handling similar types of accounts in an advertising agency.

Full competence in the numerate aspects of the marketing craft is important. There would be an undeniable advantage in more than a touch of salesmanship, but it must be of the unobtrusive type because *the newcomer will be working* primarily in a "staff role"—and I understand that people who have gained a feel for that kind of role, perhaps in personnel or other management services, would find it useful.

Preferred age range is 30-40. Once again, provided candidates are culturally transferable to work from London, it matters little where they come from.

Richard Robinson says that success in pioneering marketing in Rand should lead, if so *wished, to the opportunity to* move into a senior line-management job with the company after a year or a bit more.

But he does not quote any salary, so leaving the Jobs Column to venture its own *estimate. At the minimum*, I would think that the figure would need to be £10,000 plus commensurate perks including a car. For a consummately qualified recruit, Rand could well have to go up to £15,000.

Applications demonstrating suitability to Mr. Robinson at 199 Knightsbridge, London SW7—telex 24788, telephone 01-589 1444.

Fast print

A BULK order for senior specialists with experience of, and ability to operate internationally in, the computer and business-systems field has been given to head-hunter Kim Owen-Browne by a company he may not name. So he promises to honour any applicant's request not to be identified to the employer until specific permission has been given.

The required specialisms are field operations, marketing support, systems work, planning and training. Appropriate experience is essential, and language skills would help a lot. Salaries to be paid by the London-headquartered employer—which is in the business of electronic printing and associated systems—will vary from £12,000 to £25,000 depending on particular job.

Inquiries to the head-hunter at Owen-Browne Associates, 29 St. James's Street, London SW1A 1HA — telex 919176 Toray G, tel. 01-839 4401.

هكذا من الأصل

هكذا من الأصل

C&L

Accounting Consultancy

A Challenging Environment

London Based

As one of the largest British – and international – firms of management consultants we expect to offer our clients an international service of technical excellence spanning a wide range of disciplines.

Our immediate need is for qualified accountants aged 28-35 with at least 3 years' experience in industry/commerce. Successful candidates will carry out problem solving assignments in areas of:—

- ✳ financial analysis and project appraisal
- ✳ management information and control systems
- ✳ computer systems
- ✳ costing systems.

Competitive starting salaries will be negotiated. Those interested will have the opportunity to work on overseas assignments with premium salaries and generous allowances.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to J. G. Cameron, Executive Selection Division, ref. CF20 49, at the address below. Please include a daytime telephone number at which you may be contacted.

Coopers & Lybrand Associates Limited,
Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

Manager-Business Relations

A Strategic Communications Rôle

This Division of a major U.K. Group seeks to maximise its capability of handling relationships with staff, Government Departments and Agencies, Trade Associations and other institutions—both in the U.K. and overseas. The need is to strengthen and support the Division's expanding operational business by developing and implementing short and long term communications strategies.

The requirement is for a specialist of significant stature in the communications industry or, possibly, a commercially aware, creative and effective manager, male or female, used to operating at least at Divisional Board level in a large manufacturing company.

Terms, with a base salary well into five figures, are for negotiation. Location is an attractive part of South East England.

Please write in complete confidence, quoting Ref: FT/650, and giving brief details of age, experience, qualifications and present earnings to:

CB-Linnell Limited
8 Oxford Street, Nottingham
MANAGEMENT SELECTION CONSULTANTS
NOTTINGHAM · LONDON

AUDIT SUPERVISOR

c£15,000 tax free substantial benefits

SAUDI ARABIA

Our client is one of the largest Saudi Arabian trading groups and they require an Audit Supervisor for this key function which is established and expanding.

The person will supervise the work of auditors engaged in the reviews of organisational and functional activities: provide a comprehensive practical programme of annual audit coverage within general areas assigned and complete detailed reports and make recommendations on the effectiveness and accuracy of systems and controls

Candidates should be qualified accountants with sound EDP audit experience and have relevant experience in a medium or large accounting firm followed by internal audit experience in a medium or large industrial or commercial firm. Preference will be given to Arabic speaking candidates.

A tax free remuneration package of circa £15,000 is offered. There is excellent modern office accommodation. Additional benefits include free first-class furnished modern housing with recreational facilities and utilities, medical and accident assurance and a car allowance.

Opportunities for career advancement within this expanding company are good.

Please send a comprehensive career résumé, including salary history, quoting ref. 880/FT to W. L. Tait.

Touche Ross & Co. Management Consultants
4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 6644.

FINANCIAL DIRECTOR

Age: 30-45 Up to £11,500 + car

Home Counties - West of London

Our client is a medium sized successful group of private companies in manufacturing. They require a Financial Director who will report to the Chairman

The responsibilities include the day to day running of the accounting function including the operation of the costing system; the production of monthly and annual accounts, the operation of the budgetary control system; cash flow and the continuous development of the accounting systems. There are also secretarial and legal duties.

Candidates must be qualified accountants and have had wide accounting experience, including costing experience, in industry, preferably in a small or medium sized company. Experience in secretarial matters is also necessary.

The salary will be negotiable up to £11,500. In addition, a car will be provided and there is a pension scheme. Assistance with removal expenses will be given if appropriate.

Please send a comprehensive career résumé, including salary history, quoting ref. 981/FT to W. L. Tait.

Touche Ross & Co. Management Consultants
4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 6644.

GILT EDGED SPECIALIST

Our client, a major firm of London Stockbrokers, is seeking a specialist with good Institutional connections to join its long-established Gilt Edged Department. This post should appeal to an ambitious person either in a very large firm, where progress is limited by numbers, or in a small firm, where they lack the necessary support to expand their ideas. Full economic, statistical and technical backing is available and major research projects are currently in progress.

Our client's requirements are flexible in terms of age and level of entry into the firm provided that the applicant is of appropriate calibre.

Salary and other conditions are unlikely to be a barrier to the right person.

All replies will be forwarded direct to our client. Please indicate in a covering letter any firms to whom you do not wish to apply.

Please send a comprehensive career resumé, including salary history, quoting ref. 982 to W. L. Tait.

Touche Ross & Co. Management Consultants
4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 6644.

HG **Hoare Govett Ltd**

TWO SENIOR POSITIONS

Eurobonds-Head of Department

An experienced Eurobond dealer is required to take charge of our Eurobond operations.

The successful applicant–who must have considerable experience in this field–will be given every encouragement to develop and expand Hoare Govett's Eurobond business.

The salary will reflect the importance of this position.

European Securities' Analyst

An experienced analyst is required to increase our service to institutional clients on European securities.

Continental experience and languages would be a distinct advantage.

This post might suit a Continental analyst wishing to broaden his/her experience and who is willing to move to London.

The salary is negotiable and the prospects are excellent.

Applications for both appointments which will be treated in strict confidence should be addressed to:

The Secretary,
Hoare Govett Ltd.,
Atlas House, 1 King Street, LONDON EC2V 8DU.

SENIOR PROJECT OFFICER /SENIOR ASSISTANT

Up to £5712 plus Productivity Payment

West Midlands Gas is looking for either a graduate with several years experience, or a young graduate with about one year's experience, in applying computer based modelling/statistical techniques in forecasting in an industrial environment.

The vacancy exists at Solihull in the Economics and Forecasting section of the Corporate Planning Department as part of a multi-disciplined graduate team consisting of Economists, Mathematicians and Statisticians. The department is responsible for the production of the Region's Corporate Plan and this position provides an opportunity for someone with ability and an interest in planning and economics to make a positive contribution in an existing growth industry.

The successful applicant, male or female, will be involved in developing the departments forecasting models and data-base/information systems, many of which are based on the Region's own powerful computer facilities and on computer bureaux where use is made of high level planning languages.

Applicants should preferably have experience in the setting up or maintenance of a computer data-base and knowledge of F.C.S. or Fortran would be an advantage although further training is available for those with a different computing background. First degree subject is not of prime importance but a strong numerate background is essential together with experience in, and/or the desire to become involved with, the applications of computer-based numerate techniques to practical problems. The ability to communicate clearly to non-specialist personnel at all levels is also essential.

The starting salary (which is under review) will be in the range of £4,833 to £5,712 or £3,927 to £4,746 (depending upon the level of entry) plus current self-financing productivity payment.

Please apply for an application form quoting Ref. No. FT/A39 to:

Senior Personnel Officer
(HQ & Marketing)
West Midlands Gas
Wharf Lane, Solihull
West Midlands B91 2JP

WEST MIDLANDS GAS

ASTLEY & PEARCE LIMITED

are looking for Trainee Dealers in their Euro-currency Deposits Department. The ideal candidates would be in their early 20s with some money-market experience.

Please apply in writing to the Personnel Department, or telephone for an application form and/or further information:

ASTLEY & PEARCE LIMITED
80 Cannon Street, London, EC4
Telephone: 01-626 2486

SHIPOWNERS THIRD PARTY LIABILITY INSURANCE

GRADUATE LAWYER

A vacancy exists for a young (age 22-26), qualified lawyer (barrister or solicitor) with good U.K. university degree to join firm of Managers of a Shipowners Mutual Protection and Indemnity Insurance Association. Pupillage in maritime chambers or experience in a firm of shipping solicitors a great asset.

Salary from £5,250 according to age and experience.

Write, with full curriculum vitae, to:—

Mr. Colin Harris
CHARLES TAYLOR & CO.
120, Fenchurch Street, London EC3M 5HA

London C&L £12,500 neg. + car

FINANCIAL DIRECTOR DESIGNATE

for a quoted, highly regarded, rapidly expanding and essentially family managed retail group.

This is a new appointment with responsibility to the Managing Director for the entire financial function.

Age from 30. Possibly a career appointment for a commercially orientated and enthusiastic qualified accountant.

Résumés including a daytime telephone number to J. G. Cameron, Executive Selection Division, ref. C 388.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Company Accountant

Greater Manchester to £10,000

Flexible and reliable service while maintaining the highest standards in quality is the hallmark of this expanding heavy engineering company. To help maintain this reputation they need a person with experience and initiative not only to manage the complete finance and accounting function but also to ensure that the introduction of the most up-to-date administrative facilities and efficient information services benefits both the company and ultimately their customers. This is an excellent opportunity for a qualified accountant with at least five years' industrial experience and aged, ideally, 30 to 45, to take on a demanding role with sound career prospects. Initial salary is negotiable to £10,000 and relocation will be paid where necessary.

PA Personnel Services

Ref: AA59 6933 FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

User Oriented Business Analysts

Solve the functional problems of customer administration – on an international scale.

The Shared Development Centre of Rank Xerox is currently engaged in designing and developing an international system for the use of our 13 Operating Companies throughout Europe. It is a major project, expected to last 2 years, and to make a significant contribution towards efficiency and organisational performance.

We are looking for Business Analysts to define functional requirements, to understand the implementation problems and to ensure successful implementation within the Operating Companies.

You will provide the vital interface between users and computer systems staff and will need a wide understanding of the customer administration function. We need staff from a number of backgrounds, including O&M, Management Services, Order Processing, Invoicing, Debt Management, or a user orientated systems environment. Experience must be commercial, with management level responsibilities, and ideally should include some knowledge of a lease base or sales organisation.

Imagination, inventiveness, man-management and communicative skills are essential.

As the project will be implemented on an international scale we anticipate considerable overseas travel to the major cities of Europe and to our USA Training Centre, near Washington D.C.

These are senior appointments within a highly dynamic and progressive company so the rewards and long term prospects will be exceptional. Starting salaries are likely to be in the region of £8,000 but are open to negotiation and benefits will include a generous relocation package and free BUPA membership.

Please apply to: Sue Weddell, Senior Personnel Officer, Rank Xerox (UK) Ltd., Bridge House, Oxford Road, Uxbridge, Middlesex. Tel: Uxbridge 51133.

RANK XEROX

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession.

BANKING IN THE MIDDLE EAST

BILLS DEPARTMENT Tax-Free Salary

Our client, the national bank of a Gulf State, seeks a Junior Officer to take charge of the Head Office Bills/Letters of Credit Department.

Shareholders of the bank include the state government, prominent local businessmen, and – either directly or through subsidiaries – three well-known and respected foreign banks.

Candidates, of bachelor status and aged in their mid-twenties, should have a minimum of four years' banking experience including all aspects of Bills and Letters of Credit. The person appointed must be capable of running a relatively active department and it is a necessary requirement that he participate socially to assist in the marketing of the bank.

Salary is negotiable upwards from £8,000 per annum, paid in local currency and TAX FREE. A profit-related bonus, normally not less than 10% of annual salary, is also payable. A full schedule of the extensive range of fringe benefits offered by the bank will be made available to short-listed candidates. Interviews will be conducted in London during July.

Please telephone KEN ANDERSON in the first instance.
All enquiries will be treated in strict confidence.

First floor–entrance New Street.
170 Bishopsgate London EC2M 4LX 01-623 1266

EMA

CHIEF ACCOUNTANT
Recently Qualified

London EC2 — to £8,000 + car

Responsible to the Financial Director for the complete accounting function of the UK company and its European operations, the Chief Accountant will supervise 16 staff. Systems have been recently computerised and there is scope for further development. Solving exchange control problems, he or she will manage cash resources and have close contact with the company's general management.

Our client is a subsidiary of a major UK investment group. Currently turning over £20 million providing a range of industrial services on an international basis, the company is developing its operating capability overseas. Aged 24-28, applicants should ideally be chartered accountants with a year's industrial experience involving staff management. Please telephone or write to David Hogg FCA quoting reference 1/1561.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

International Hospital Management—Finance Department
salaries equivalent to £16,000 and £24,000 tax free +bonus

A United Kingdom based international medical group – the only British competitor in its field – is planning its expansion in the Middle East and elsewhere in the developing world. To accelerate the pace of this expansion the group wishes to make two senior appointments to its operations.

Financial Controller

Responsible for providing financial advice to the executive committee, for representing the finance department in dealings with external bodies, for budgetary control of a programme with an annual expenditure equivalent to approximately £80 million, and for a departmental staff made up almost entirely of expatriates. the ideal candidate will be a graduate chartered accountant in his early thirties, experienced in information systems, whose commercial judgement is buttressed by his professional skills. Salary £24,000 tax free + bonus. Ref MCS/3756.

Auditor

Responsible for an independent appraisal review of accounting financial and operational controls, for developing a programme for auditing the data processing procedures and systems planned for installation, for auditing the security of the hospitals computer operations. he will be a young chartered accountant, trained in one of the larger firms, used to following computerised audit trails and able to present recommendations simply and clearly. Salary £16,000 tax free + bonus. Ref MCS/3757.

These appointments are challenging ones in an area of accelerating economic development. The operating base is Riyadh. The environment is cosmopolitan and the standard of living as expressed in terms of material comfort is high.

Contracts are for two years with four weeks leave every six months. Generous fringe benefits include free first class air travel, top class accommodation, education allowance and children's holiday passages.

Please send a curriculum vitae to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting the relevant reference. Letters will be acknowledged and forwarded to the client. List separately any organisation to which you do not wish your curriculum vitae to be sent.

Price Waterhouse Associates

Financial Controller

South Coast — c. £10,000 + car

This UK company is part of a highly successful group which is a world leader in its range of precision engineering products used throughout industry. In Britain, it has a turnover exceeding £20m and two manufacturing companies, one of which is located in Sussex. The Financial Controller will take full responsibility for the accounting function at this site and for certain administrative services including security and on-line computer operations. Reporting to a main Board director, the person appointed will also work in close conjunction with the head of production in controlling buying and personnel matters. An initial involvement will be a major extension to the factory. Candidates, aged 30 to 40, should have an accounting qualification with experience in managing the function, preferably in engineering. Salary will be negotiable around £10,000 with a car and good fringe benefits.

PA Personnel Services AA51/6941/FT.

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA
A member of PA International

Senior Financial Analyst -Consumer Retail Credit

This is an opportunity to make a substantial contribution at the formative stage of a vigorous and expanding operation.

Based in our Kensington offices, Retail Services Division is developing the retail credit card arm of Citibank Trust, the UK finance subsidiary of Citibank N.A., which is one of the world's largest international banks.

The man or woman we need will assist the Financial Analysis Manager in developing financial and management reporting systems and support senior management in maintaining the profit profile through this period of rapid growth.

You should be between 25-30, probably possess a major accounting qualification or MBA and must have a high level of expertise in financial control, planning and analysis gained within a sophisticated large company environment. You will also have the resilience and maturity to maintain a high standard of professionalism in a fast moving operation.

In return we can offer good career prospects, a first class salary and valuable benefits including low cost mortgage and personal loans. Please write to Angela Wadlow at Citibank Trust Ltd., Retail Services Division, 364-366 High Street, Kensington, London W14, with full career details.

Citibank Trust

Economist
Up to £7,500

We have a vacancy for an experienced Business Economist, aged 25-29, in our Economic Analysis Section.

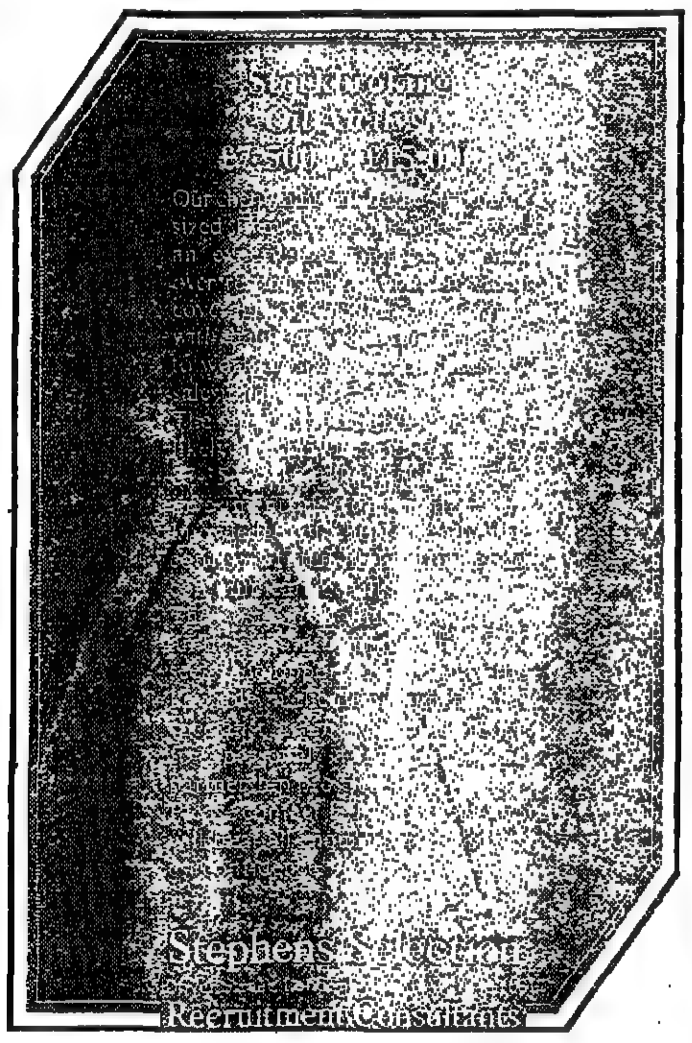
This team, based in the City, provides advice to Senior Management to assist in day-to-day decision-making and Corporate Planning. Specific responsibilities include reporting on developments in the U.K. economy, particularly in the financial sector, and producing forecasts of bank deposits, advances and key interest and exchange rates. In addition, there is considerable scope for research with practical application.

We are looking for someone with a good degree in economics and a sound knowledge of econometrics and statistics. Post graduate experience should include at least two years in business forecasting, preferably in the financial sector. Some knowledge of computer applications would be an advantage. A practical approach to solving management problems and the ability to communicate the results of technical work to non-specialists are essential.

Starting salary will be in the range £5,500 to £7,500 per annum (including London Allowance), depending upon qualifications and experience. Additional benefits include profit-sharing and other schemes usual in the banking industry.

Please write or telephone for an application form to:
V. J. R. Connolly,
Graduate Appointments Officer,
Personnel Division,
Recruitment Department,
National Westminster Bank Limited,
P.O. Box 297,
12 Throgmorton Avenue, London EC2P 2ES.
Telephone: 01-628 9888 ext. 380 or 483.

National Westminster Bank



The Department of Development of the London Borough of Brent, engaged on a dynamic programme of construction, is multi-professional: Architects, Engineers, Planners, Quantity Surveyors, Valuers and Central Administration, engaged on a major programme of works. The Chief Administrative Officer will be retiring in June 1979 and we are looking for someone of proven managerial ability, sound administrative background and financial competence to succeed him.

Chief Administrative Officer

Administration can suggest boredom but with us you will not be bored. You will need to be an innovator with flair and versatility, able to foresee the requirements of the Department and devise systems to meet them.

You will be responsible solely to the Director of Development for all administrative, management and clerical services within the Department, and will attend management and Council Committee meetings.

Competence in financial matters is necessary but extensive management experience with proven ability to motivate and manage a large work force engaged in a variety of duties is essential.

Salary Grade in PO2A range £7,365 to £8,109 pa inclusive. Generous Relocation expenses available.

Application forms from the Administration Manager, Room 708, Brent House, High Road, Wembley, Middlesex returnable 29th June. Telephone 01-903 0371 (24 hour Ansafone Service). Reference number D/79/JD must be quoted.

London Borough of **BRENT**

ADMINISTRATOR
SOLICITORS

Head of Administration required by substantial firm of solicitors to assume responsibility for all non-legal staff and services. The successful applicant will have a degree or professional qualification in Management or related studies and will also have had five to ten years' administrative experience in a similar organisation employing over 200 persons. You will be expected to participate fully in the development of an expanding modern Partnership.

Generous salary and conditions negotiable

Apply with full Curriculum Vitae to:
Box A.6794, Financial Times
10 Cannon Street, EC4P 4BY

FAST GROWING international public company are seeking to expand their top management team. An opportunity for organised and profit-orientated people to become involved in an exciting and fulfilling role.

FINANCIAL DIRECTOR (FD)

Probably already holding a similar post with a sizeable quoted company, or perhaps a major subsidiary of such a group. Enthusiasm and a capacity for hard work are required to play a major role in the development of the Group at top level.

COMPANY SECRETARY (CS)

Professionally qualified, Will probably have gained appropriate experience with a public group. To play an important part on the main and subsidiary boards. An interesting and challenging position with a wide variety of duties.

FINANCIAL DIRECTOR—Hong Kong based (HK)

For the Group's largest manufacturing subsidiary which is in the exciting chip-based electronics industry, employing in excess of 1,000 people in two factories. As this subsidiary is only 51% owned, there will be a significant element of communication and *representation of the Group's interests involved.* Appropriate expatriate benefits are included offering a real opportunity to build up capital.

RETAIL MANAGER/DIRECTOR (RM)

Preferably with D.I.Y. background, although other retailing experience would be appropriate. To become involved with the Group's expanding D.I.Y. retailing interests, Franchise chain, and Shops within Shops.

DATA PROCESSING MANAGER (DP)

To organise and take charge of existing and currently being-installed computers at seven sites, DEC 11/34's based, in an extremely sophisticated operation, including communication via modems. A challenging job with immense scope.

Salaries and conditions offered will match the seniority of each appointment and will not be a limiting factor for the right people.

Applications will be treated in the strictest confidence. Envelopes should be marked with appropriate reference quoted in brackets and addressed to:

Mr. A. J. Leboff
S. LEBOFF (FOBEL) LTD.
Hyde House,
Colindale,
London, NW9 6LG.

DIRECTOR MANAGEMENT CONSULTANCY

Central London Base
negotiable to £16,000+car

We have been retained by a medium sized, nationally based firm of Chartered Accountants who plan to appoint a Director to set up an independent Management Consultancy.

Reporting to the Practice Partners, the Director will have responsibility for planning, managing and developing the company's services which will initially be financially orientated. However, important aspects of the appointment will include defining the subsequent parameters of operation and undertaking a broader business role, in particular the active marketing of consultancy services.

Probably aged in their early 30's and preferably graduates, candidates will be qualified accountants who have a broad base of experience in practice and industry, followed by a period with a recognised consultancy. They should have a strong personal presence, together with a creative, committed approach and the successful candidate will possess outstanding management and communication skills.

For further information concerning this appointment candidates should submit a curriculum vitae or write requesting a personal history form to Nigel V. Smith, A.C.A., or Kevin Byrne, B.A. quoting reference 2499.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

GROUP FINANCE DIRECTOR

Thames Valley — £15,000

Our client is a privately owned group of companies with predominantly structural engineering interests. It has a growing export market worth several millions of pounds arising from a number of UK locations.

The new position of Group Finance Director has been created to centralise responsibility for the development and execution of financial policies, plans and procedures for this expanding and necessarily complex organisation.

Suitable candidates will already have had extensive experience of senior financial management in well organised groups with manufacturing or fabricating interests. They will be qualified accountants probably aged between 35 and 45.

Please send brief personal and career details to Douglas G. Mizon, 57 Chiswell Street, London EC1Y 4SY.

Whinney Murray & Co.
Turquands Barton Mayhew & Co.

Top Executiv

If you are finding your talents ... can help

In the serious business of marketing yourself MI... VE provides ... individual and comprehensive career couns... has achieved ...

After evaluating your full potential ... gh every st... with *material individually* ta... needs, an...

As professionals we h... standing i... preliminary ... y our client...

MINSTER ...
28 Bolton Street ...

A FINANCIAL TIMES SURVEY
ACCOUNTANCY
JULY 3 1979

The Financial Times is planning to publish a Survey on Accountancy. The provisional editorial synopsis is set out below.

Introduction: The accountancy profession is nowadays pre-occupied with the questions of standards. These have been issued by the profession for a decade, but increasingly the old order is losing credibility. The Watts Report outlines alternatives to the present system. Is it time the profession gave up the standards-setting role?

Craving for Leadership: Chartered Accountants still talk admiringly about the great leaders of the past. Many say there are no leaders of their calibre at the top of the profession or even in prospect today. Is this because the big firms are turning away from the professional Institute?

Inflation Accounting: The new Morpeth proposals are out and the debate has started again. Will accountants ever agree on an inflation accounting system? Prospects for developing Morpeth Mark II. Will the Government have to intervene again?

Auditing — the Growing Credibility Gap: An accounting academic was heard recently to regret that he had not stayed in the auditing profession. Certainly auditing is widely regarded to be one of the most lucrative franchises in Britain today. But what is the value of a watchdog which rarely barks?

Company Accounting Policies: Some of the less formal accounting policies adopted in company accounts during 1978-79. Currency translation, extraordinary items, inflation accounting adjustments in historic cost accounts are just some of the areas involved.

Accounting Firms—the Big and the Small: Are "big" and "international" no longer quite so attractive? The shape of the UK profession in the eighties.

The Main Accounting Bodies: Where is the Consultative Committee of Accountancy Bodies (CCAB) going? Are the Certifieds, and, to a lesser extent, the Cost and Management Institute, still playing the numbers game with their students?

The Small Firm: With something like 9,000 individual accounting firms in Britain there is clearly a demand for the small firm. What is business like these days? How much does tax work contribute to fee income?

Education:

For further information and details of advertising rates please contact:
Michael Hills
Financial Times, Bracken House
10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 Ext. 588

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Progressive and autonomous organisation poised for significant growth—prospects for Board appointment in 6-12 months and further advancement in the medium term.

GENERAL MANAGER—DIRECTOR DESIGNATE

LONDON **£10,000—£12,000+Car**

LONG-ESTABLISHED IMPORTER AND DISTRIBUTOR TO THE HARDWARE AND ALLIED TRADES—SUBSIDIARY OF SUBSTANTIAL BRITISH GROUP

We invite applications from candidates, aged 35-50, with a demonstrable record in the control of a small organisation where all-round business flair and managerial skills are more important than formal qualifications. Responsibility is to the parent Board for all aspects of the enhanced development of the company's activities. Experience in accounting and general administration is essential and will have been gained ideally in a demanding marketing environment. Total personal commitment is required coupled with an entrepreneurial but disciplined approach. It is intended that achievement will be reflected in the progress of the appointee. Initial salary £10,000-£12,000, profit sharing negotiable on Board appointment, car, contributory pension, life assurance, medical benefits and assistance with removal expenses where necessary. Applications, in strict confidence under reference GMDC3927/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374.

Opportunity for successful Credit Officer to further develop credit experience into the wider spectrum of new business development. Promotion prospects are excellent.

EUROCURRENCY BANKING —ASSISTANT MANAGER £8,000—£10,000

CITY

INTERNATIONAL CONSORTIUM BANK

Applications are invited from candidates, male or female, aged 25-30, graduates or equivalent, preferably A.I.B., who have acquired at least 3 years' Eurocurrency credit experience and a full understanding of the associated documentation. Working as part of a small integrated marketing team, the main brief will be to provide credit support on both existing loans as well as assisting with the structuring of new business. Client liaison should be expected. An alert and personable manner are important, plus a flexible yet commercial outlook. Initial salary negotiable £8,000-£10,000 + house loan facility, personal loan facility, non-contributory pension, free life assurance and free personal and family BUPA. Ref. EB11341/FT.

Our Client also has a requirement for someone with a similar background but at a lower level. Initial salary in this case will be £7,000-£9,000. Ref AM11341/FT.

Applications in strict confidence under the appropriate reference will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Managing Director Designate

Pipework Fabrication **Five Figure Salary +**

Our client is a medium sized company with annual sales around £4m engaged in the fabrication and site erection of high quality pipework for the oil, gas and process industries, and is a subsidiary of a profitable public group. Rapid recent expansion has resulted in the promotion of the present Managing Director and the need for an outstandingly competent successor. The prime requirement is for someone aged 40-55 with substantial commercial and manufacturing experience preferably gained in a 300 to 500 employee company operating in steel fabrication or a similar industry. He or she will lead a competent technical team in the optimisation of throughput and profit from a strong order book. Rewards will include a competitive five figure salary appropriate to this key post, a good company car, usual fringe benefits and generous assistance with relocation to the Company's Scottish headquarters, which are within easy reach of a wide variety of amenities.
(PA Personnel Services Ref. GM 50/8943/FT)

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
127 George Street, Edinburgh EH2 4JN. Telephone: 031-225 4481

Sales Director
Consumer Durables
c£17,000 +Executive Car

Our Client, the rapidly expanding British subsidiary of a major international industrial Group has generated a tenfold increase in sales and profits since UK entry. They now seek a top sales and marketing executive –

- To exploit and develop this expansion
- To lead, deploy and administer all the resources of the UK sales operation
- To contribute factual, timely and accurate marketing input to the UK corporate plan.

You will be a gifted senior sales/marketing executive with not less than eight years' proven experience in precision engineered consumer durables, preferably electrical/electronics. Three of those years will have been spent leading a substantial, aggressive British sales team. You will be numerate, preferably a graduate, with a formal qualification in Business Studies or similar, and a proven negotiator.

Location – Home Counties. Age limits 35-45.

Candidates – male or female – should write in strict confidence, or telephone with details of career achievement, qualifications and present salary to Paul Sinha, quoting reference number C3303, Jackson Taylor Executive Consultants Limited, Carolyn House, Dingwall Road, Croydon, Surrey, CR9 3RS. Telephone 01-680 8631. (24-hr Ansaphone).

JACKSON TAYLOR EXECUTIVE CONSULTANTS LTD.,
(Search and Selection)
Croydon · Manchester · Darlington

BOOKKEEPER

Able and ambitious. Pleasant offices near Harrods, Knightsbridge. Person with export experience preferred. Salary circa £5,500.

Phone or write to:
Mr. Legg, Crossoceans Ltd.
34 Beaufort Gardens, London SW3
Telephone. 01-589 7418

Single Buoy Moorings Inc. has pioneered the design and development of floating offshore terminals for oil production, storage and transfer. SBM systems are installed and operating throughout the world. The company is growing rapidly in response to international demand for its products and offers an interesting career in a highly stimulating professional environment for an

Experienced Contracts Lawyer
BASED IN MONACO

Responsibility will be primarily for assisting the projects and sales departments in the presentation of offers and in the drafting and negotiation of the company's contracts with international clients, assisting the operating divisions in their preparation and interpretation of contracts with yards and suppliers, and providing legal advice on other matters when requested.

The successful candidate, male or female, will hold a law degree, preferably from an English or American university, and have a minimum of 5 years' experience in international contracts law and familiarity with capital goods contracts, ideally with a supplier or major service company to the oil industry or in the purchasing department of an oil company. Fluency in written and spoken English is essential.

Replies should be sent before July 15, with detailed cv and photo to:

Personnel Manager,
Single Buoy Moorings Inc.,
PO Box 157,
Monaco (Principality).

OVERSEAS OPPORTUNITIES

Our Client, a leading international company in Saudi Arabia, is seeking to fill the following positions:

AUDIT MANAGER
c. £18,000 p.a.

A graduate with 5 years broad auditing experience including 2 years as an Audit Manager. **(Ref. T001)**

CAPITAL ASSET CONTROLLER
c. £13,500 p.a.

A Business or Accounting graduate with 3-5 years' experience in Accounting and EDP applications. Experience in the operation of large-scale capital asset and inventory systems is desirable. **(Ref. T002)**

SENIOR AUDITOR
c. £13,900 p.a.

A graduate Accountant is required to perform all phases of audit work from initial contract to report. A minimum of two years' experience in a public accounting company leading to a Chartered Accountancy qualification. **(Ref. T003)**

Telephone Windsor 57926 (24 hour answering) or write quoting ref. to:

CHEMSULT
George V House, 4 Thames Avenue, Windsor, Berkshire.

Ambitious Manager for International Loss Adjusters

The Gulf **c£15,000 Tax Free + Villa, car, pension etc.**

Having established itself as one of the major firms of loss adjusters in Europe, this U.K. based group is now intent on consolidating its presence in other parts of the world. They plan to open a network of offices to provide insurers with an on the spot service by experts with in-depth knowledge of local conditions.

The first of these offices has been set up in one of the most congenial parts of the Gulf as headquarters for the area and a Director/Manager is now required to head it up and develop its considerable business potential.

Applicants must be qualified to at least associate level of the C.I.L.A., be aged 30 to around 35, and have extensive general adjusting experience. Some experience of managing a branch office and some overseas claims experience would be plus points but are not essential.

The company offers an attractive remuneration package including profit share, spacious fully furnished villa, car, 6 monthly U.K. leave, educational assistance, etc. Two year contract, renewable.

This position offers you a hard working but pleasant lifestyle and an opportunity to accumulate considerable capital savings. There are excellent career prospects and a suitable position is guaranteed when you return to the U.K.

Applicants should apply for a Personal History Form, quoting Ref. No. GM 244/FT to:

W. S. Gilliland, Thornton Baker Personnel Services Limited,
Fairfax House, Fulwood Place, London WC1V 6DW.
Telephone: 01-405 8422.
A member of the Management Consultants Association

Personnel and Industrial Relations Consultants

Young Graduate Business Analysis

C. London **to £7000**

Our client forms the Headquarters of one of the world's most successful marketing and manufacturing organisations. They now require a young Business Analyst for a small department providing a vital analytical service to the marketing and manufacturing management.

You will form part of a team co-ordinating the group's manufacturing activities in response to changes in demand forecast by the marketing function. This will involve close liaison with senior executives responsible for the direction of their worldwide business.

If you are a young numerate graduate with 1-2 years marketing orientated business experience, and keen to move to a dynamic group, you will receive excellent training and can expect to benefit from the group's policy of rapid internal promotion. Financial and practical assistance will be given to acquire professional qualifications. Good communicative skills, high ambitions and an enquiring logical intellect are essential to your success in this challenging role. Please telephone or write quoting Ref. R/1236.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Accountant
Middle East £10,300 p.a. tax free

IAL, the International aviation and communications company, requires an experienced Accountant in the Middle-East.

You will undertake a wide range of accounting functions, including the preparation of monthly and annual accounts, cash flow forecasting and planning, monitoring expenditure and assisting in preparing the budget.

Aged, preferably, around 30, you should hold an accountancy qualification or equivalent, and have practical experience of managing an accounts office with all which that entails.

Starting salary will not be less than £10,300, tax free, together with very attractive company benefits.

If you're interested, please phone or write to The Senior Recruitment Officer, IAL, Aeradio House, Hayes Road, Southall, Middlesex. Tel: 01-574 5021 quoting ref. 101/S.

IAL Aviation and Communications Systems and Services—worldwide

HESELTINE, MOSS & CO.

LONDON — READING — OXFORD — NEWBURY — GLOUCESTER — CHELTENHAM.

Do you feel that your clients could be equally well served from a Country Base with excellent communications and normal London Dealing arrangements?

We have opportunities at any of our five country offices where we feel we are uniquely placed in the South.

In the first instance telephone Christopher Blount on Reading 595511 or write to him at Commercial Union House, 73a London Road, Reading, RG1 5DF.

Area Manager Confirming House

The Company is a leading London confirming house forming part of a substantial and diverse international group with worldwide financial, trading and commercial interests.

Encouraged by the success of operations in its traditional markets, the Company has decided to appoint a further Area Manager to expand its activities in Spain and Latin America. To have the necessary background for this challenging role, candidates will probably have had experience in a confirming house or merchant banking environment, conducting business negotiations of a Senior level. A good deal of travelling will be involved and a thorough knowledge of Spanish is required.

The appointee, male or female, will be able to draw on the experience of the existing management team and on the resources of the various constituent members of the Group with their widespread international connections.

An attractive compensation package will be negotiated with the successful candidate.

Replies containing brief career details should be sent to:—

Mr. G. S. Petersen,
PH RECRUITMENT LIMITED,
Suite 15, 7th Floor, 140 Park Lane, London W1Y 4AD

SOLICITOR SHIPPING FINANCE

Norton, Rose, Botterell & Roche invite applications from young Solicitors to join a team working in the field of Shipping Finance, covering the legal aspects of construction, ownership and financing of ships of various nationalities.

The work is demanding and interesting. Some experience of general commercial law would be an advantage but it is not essential, the prime considerations being initiative, the capacity to learn quickly and willingness to take responsibility. Some overseas travel may be required.

Apply in writing to:
R. H. R. Clifford
Kempson House, Camomile Street
London EC3A 7AN

CENTRE FOR EUROPEAN AGRICULTURAL STUDIES
WYE COLLEGE
(University of London)
RESEARCH OFFICER

The CEAS is increasing its research activities in the European agri-food industry sector, and is seeking to appoint a Research Officer to take an initiative in developing this field. This person will be a graduate and is likely to have had experience in organising economic or marketing research, although other academic or commercial experience may be relevant. He/she will have a good working knowledge of at least two European languages, one of which is English. The appointment could be made within one of the British University salary scales for academically related staff depending on age, qualifications and experience.

Further particulars from The Secretary, Wye College, Wye, Ashford, Kent TN25 5AH. Applications to be received by the Secretary by 1st August 1979.

Manager
Project Financing

A major International Group, with an annual turnover in excess of £1000 million, is seeking a Project Finance Executive to be based at Group Head Office in central London.

He/she will join a young professional team which is responsible for the Group's financing operations both in the UK and overseas.

The successful applicant will work on the Group's worldwide contracting activities, carrying responsibility for the design and negotiation of finance and currency management packages required to support tenders for international contracts. He/she will also prepare appraisal reviews of major tenders for submission to top management.

Experience of ECGD, currency management and assembling finance packages is essential, preferably gained in a Merchant/International Banking or Corporate environment.

The appointment offers an attractive salary, incentive bonus, company car and the usual large company benefits. Applicants currently earning less than £10,000 are unlikely to have gained the necessary experience.

Please write in confidence giving full details of your age, qualifications, career history and salary progression to date, stating the names of any organisation to whom your letter may not be sent, to:

K. W. Causton, Ref. 455/FT.

Whites

Whites Recruitment Limited
72 Fleet Street, London EC4Y 1JS
Offices: Bristol, Glasgow, Leeds London, Manchester and Wolverhampton.

At BICC, Financial management is only the beginning for ambitious accountants

Short-term promotions are no good to today's pioneers of tomorrow's accountancy: true professionals — men and women with high-calibre experience to back their academic qualifications — need endless opportunity and constant challenge. And only an established international group with impetus and ambition can offer those criteria.

A group like BICC. Having established ourselves as world-leaders in the design and manufacture of cables and associated electrical accessories; and having become deeply involved in the refining and fabrication of metals, international civil engineering, and the advancement of communications technology, we are embarking on a major programme of growth, the success of which will depend on the quality of financial control and reporting which only top-flight accountants can achieve.

Parent Company Accountant
£10,000 — £12,000

Aged at least 30, and a qualified ACA/ACCA, your role will be essentially creative. Your prime tasks will be the implementation of improved procedures for the preparation of data for year-end and interim accounts, and the introduction of computerised systems to replace the mechanised nominal ledger and manual 'in-house' direct debiting systems. Relevant experience is essential.

Group Operating Accountant
£9,500 — £11,000

Whilst your initial interest will be the preparation of monthly management accounts, annual capital and revenue budgets and the half-yearly capital expenditure report, you will become increasingly involved in the computerisation of consolidation procedures. Aged between 27 and 32 and a qualified ACA/ACMA/ACCA, you should have experience of collating management information — ideally in the centre of an industrial group.

Systems Development Accountant
£9,000 — £10,500

To improve and develop cost effective accounting systems and policies throughout the BICC Group. Aged between 25 and 30 and a qualified ACA/ACMA/ACCA, you'll probably be a graduate whose post-qualification experience has included the design and implementation of accounting systems.

Young Financial Accountants
£8,000 — £8,750

You will be responsible for planning and organising the interim and year-end consolidation of Group accounts, the analysis of all associated data submitted, and the incorporation of EEC Directives and company legislation into uniform accounting procedures. Aged between 23 and 27, you will undoubtedly be a graduate accountant looking for your first major opportunity in industry.

All these posts are based at our head office in London where you will be joining a young, multi-disciplined team in Group Finance. This department is concerned with all aspects of financial management, planning and control in a Group which has an unusually wide range of activities and presents every financial and accounting problem worth facing on an international scale.

Please write, with full details, to:
A. G. Weller, Chief Accountant,
BICC Limited,
P.O. Box No. 5, 21 Bloomsbury Street,
London WC1B 3QN.

BICC

Recently Qualified?
MANAGEMENT CONSULTANCY
LONDON

Our client is the Consultancy Division of a major international practising firm.

The Consultancy conducts a wide range of exercises for industrial and commercial clients in both the private and public sectors. There is a strong systems bias and a structured training programme which, in the first year, would include a number of weeks in the U.S.

Candidates, aged 24-27, should be qualified accountants with a degree and a high level of academic achievement. A committed, motivated attitude is essential to identify with the firm which is keen to give successful candidates increased responsibility at the earliest opportunity.

Salary will reflect background and experience and income progression will be rapid for successful candidates.

For more detailed information and a personal history form, contact Ian Tomisson or Nigel V. Smith, A.C.A., quoting reference 2484.

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

COMMODITY BROKERS
Outstanding Career opportunity in Australia

Robert Howes and Associates, Australia's leading Commodity Futures Broker, dealing on the London, New York, Chicago and Sydney exchanges, requires experienced commodity brokers.

The Futures industry is firmly established in Australia with gold, wool, boneless beef and live cattle already being traded. Currency, interest rate and silver contracts will soon be added. This is your opportunity to play an active role in the development of the industry and reap substantial rewards in terms of satisfaction and finance.

Australia offers a beautiful Mediterranean climate and a very high standard of living.

Robert Howes and Associates are offering:

★ An extremely attractive salary plus a full incentives package.

★ A challenging career with unlimited potential.

★ Travel expenses and assistance in relocation.

Please reply, giving fullest details of experience, age, education, salary and references to:

General Manager,
Robert Howes and Associates Pty. Ltd.,
275 George Street, Sydney NSW 2000,
AUSTRALIA.
Telephone: 29 2911.

Fund Management
UK Equity Portfolio

This senior appointment is to join an internationally renowned industrial company and manage the UK equity portfolio of its pension fund, which is controlled by a small London-based team.

Candidates, preferably late 20's to mid 30's, should have at least four years' experience in fund management, involving UK equities, and knowledge of fixed interest, gilt-edged and overseas equity markets.

Salary negotiable to £10,000; relocation help and other benefits.

Please telephone (01-629 1844 at any time) or write – in confidence – for a personal history form. A. D. Russell ref. B.1294.

This appointment is open to men and women.

MSL

United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Young Accountants
Gain EDP experience in a successful UK Company in
Financial Systems on Minis
London or Manchester — to £7,000

A multi-product industrial group, operating worldwide has recently standardised systems on advanced minicomputer with integrated manufacturing and accounting packages.

Two positions exist, one in London, the other near Manchester.

You will initially receive comprehensive training in minicomputers and the financial packages so that you are able to implement systems in subsidiary companies throughout the South or North of England. A limited amount of travel to these subsidiaries will be necessary.

You will have 1-2 years industrial/professional accounting experience coupled with a mature approach – well able to communicate with management at all levels. Aged 24/35 you can expect to gain unrivalled accounting and computer experience in this role.

Written replies will be forwarded unopened to the client unless addressed to our Security Manager listing companies to which they should not be sent. Ref. RG 2360.

Lloyd Chapman Advertising
123, New Bond Street, London W1Y 0HR 01-499 7761

C&L

West London — to £11,500 + car

MANAGEMENT AUDIT

The Company The U.K. operation of a major international group, involved in the manufacture and supply of a wide range of industrial and consumer products.

The Job A new appointment, reporting to the Financial Director, and responsible for establishing management audit in a number of U.K. subsidiaries.

The Candidate A qualified accountant, aged from 30, whose audit experience could have been gained with a large professional practice, or in the internal audit department of an industrial or commercial group. Limited U.K. travel will be involved.

Fringe benefits are good, as are prospects for advancement. Relocation expenses will be paid.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to J. G. Cameron, Executive Selection Division, Ref. C356 at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Senior Internal Auditor

Rank Hotels operates a chain of luxury hotels in London, throughout Southern England and also abroad.

A Senior Internal Auditor is required to assist in organising the management service provided to the Division by the internal audit department, which takes the form of an independent appraisal and review of accounting, budgeting, financial and other operations.

Reporting to the Chief Internal Auditor you will have responsibility for other staff as required on the various projects that will be assigned to you.

We will expect you to be a Chartered or Certified Accountant with considerable auditing experience and it will be useful if this extends to sophisticated systems, accounting and/or computer. Applicants must feel confident that they have the ability to recognise and deal with the problems of senior management. There will be a reasonable amount of travel.

Salary is negotiable around £7,250, depending on qualifications and experience, and as you would expect of a company within The Rank Organisation, there are attractive fringe benefits and excellent career prospects.

For further details write or phone:

Personnel Manager, RANK HOTELS LIMITED,
51 Holland Street, Kensington, W.8.
Tel: 01-937 8022

RANK HOTELS

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 5th June

Job Title	Salary	Location	Advertisers
Finance Manager	£7,000	Rural. Bucks.	Ortho
Management Consultant Accountancy	£8,000 + substantial package	Nationwide	ICFC
Divisional Accountant	£7,500 + Car	East Midlands	Hoggett Bowers
Chief Accountant	£8,000	Buckinghamshire	PER Oxford
Management Accountant	£7,500	East London	PER Chelmsford
Management Accountant	£8,000 + Car	WC2	Box No. A6780
Controller	£8,500	—	Churchill Personnel
Accountant	£7,500	—	Churchill Personnel
Accountant	£19,000	Bermuda	IPS Group (Consultants)
Chartered Accountant	—	London/Surrey	Box No. A6793
Chartered Accountant	—	London	F. H. Scobie & Assoc.
Management Accounting	£4,232/£8,452	Loughborough	Loughborough University
Group Accountant	£9,000 + Car	Luton	Ian Mackintosh Intl.
Merchant Banking	£8,000	Central London	Robert Half
ACA	£8,000	Central London	Robert Half
Young ACA	£7,500 + Bonus	Bucks.	Robert Half
International Auditor	$17,000	UK Based	American Express
Principal Auditor	£9,260 + Allowance	Tuvalu (Ellice Isles)	Crown Agents
Young Qualified Accountants	—	West of London	Taylor Woodrow Intl.
Young Chartered Accountant	to £7,500 + Benefits	London	Extel Recruitment
Group Accountant	£9,000	North London	Accountancy Personnel Senior Appts.
PA to Chief Executive Accountant	£8,500	City	" " "
Supervisor	£8,000		" " "
Chief Accountant	£9,000 + Car	City	" " "

These advertisements appeared in the Financial Times on 12th June

Job Title	Salary	Location	Advertiser
Recently Qualified Accountant	£7,250 + (+ Car)	W. London	David Clark Associates
Finance Management	£8,000 +	S. England	Personnel Advertising
Financial Accountant	£7,000 +	London	Royal Garden Hotel
Manager Inter-company Accounting	£7,500	Denham, Bucks.	Rank Xerox
Assistant Financial Controller	£7,750	Warwickshire	Overton Management Selection
Accountant	Up to £8,000	Rural Surrey	PER London
Accountant	$19,000	Bermuda	Trevor James (Consultants)
Ambitious Accountant	£8,500	NW London	Robert Half
Insurance	£8,000 + Benefits	Surrey	Robert Half
Career Minded ACA	£8,000	C. London	Robert Half
Cost Accountant	£7,000 + Car	S.W. Essex	PER Chelmsford
Assistant Accountant	£5,000	S.W. Essex	PER Chelmsford
Management Accountant	£6,000-£7,000	Berkshire	Field & Sons
Management Accountant	—	SW4	UBH (Mechanical Services) Ltd.
Investment Accountant	—	Potters Bar	Albany Life Assurance Co. Ltd.
Assistant Cost Accountant	£5,000	Croydon	Listen on 01-499-3471

For further information see the FT of that date or telephone 01-248 8000 Ext. 526 or 01-248 5597

EARER DIVIDEND CLERK
R CANADIAN BANK
IN CITY
ease hear full details on
493-2905
n't speak, just listen.

SUGAR ACTUALS TRADER

required by long-established International Trading House expanding its existing Sugar Department in London.

Experience in trading actuals is required, preferably in sugar, although experience in commodities like cocoa, coffee, metals etc. would be considered. Knowledge of French an advantage but not essential. Overseas travel would be involved. Salary/bonus is negotiable. Age of applicant ideally between 25 and 40 years. All replies will be treated in utmost confidence.

Please reply to Box A.6799, Financial Times, 10 Cannon Street, EC4P 4BY.

LEASING

A rapidly growing leasing company has a vacancy for a Marketing Executive. Experience in the leasing industry and/or legal and accountancy experience in personal or corporate tax matters is desirable but the main requirements are drive and intellectual capacity.

Salary will be above average but commensurate with experience and qualifications. There is also a profit-related bonus scheme.

Please reply in the first instance to
MARGARET SUTHERLAND,
16 DAVIES STREET, LONDON, W1Y 1LJ.

Contracts Controller

South Coast
c. £11,000

The Controller will report to the Managing Director and advise on the profitability of substantial contracts in the U.K. and overseas. This will require strengthening the existing systems and procedures to provide effective management information. Up to 20 per cent of the time will be spent out of the U.K.

The company, part of a major international group, has a turnover of £15m.

Candidates must be qualified accountants, aged over 30, and able to show a number of years' experience in contract costing.

Fringe benefits are good and the starting salary will be negotiated to attract those with the highest expertise.

Applications, which will be treated in strict confidence, should contain relevent details of career and salary progression, age, education and qualifications.

Please write to A.C. Crompton quoting ref: 806/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Finance Director

£18,000 + bonus, executive car and benefits

Our recent record profits have confirmed our re-emergence as a leading international office equipment manufacturer. Much however remains to be done to consolidate our market position and to develop further. We are now looking for a highly qualified Finance Director to join the main board of the Twinlock Group.
The ideal candidate will be aged between 40-50 and will have a record of success as a Finance Director in industry with proven ability in the following areas: control of manufacturing and selling companies in the UK and overseas, cost accounting of manufacturing operations, computing, and evaluation of investments and acquisitions. In addition the post calls for considerable commercial flair and the personality of the new director must be such that he/she will be seen as a dynamic and forceful leader both by staff and board room colleagues.
The remuneration package is made up of a high basic salary, participation in an executive bonus scheme, quality company car and other fringe benefits associated with such a senior appointment.
The job will be based at the Group's headquarters in Beckenham, Kent and reports to the Group Managing Director.
Applicants are requested to write with full details to: The Managing Director, Twinlock Limited, 36 Croydon Road, Beckenham, Kent who will be happy to provide further details at that time.

Twinlock

TECHNICAL MANAGER

Edible oils and fats
BRUSSELS, BELGIUM

Our company belongs to one of the leading processors of edible oils and fats in Europe. We are involved in the industrial development of vegetable oil and fats industries in a number of developing countries.

We need to strengthen our team with a qualified technical, or chemical engineer, preferably of British nationality, and willing to be permanently based in Brussels.

The function involves the preparation of technical engineering studies; evaluation, selection and costings of processes and equipment; selection of suppliers; guidance and supervision of detailed engineering work, as well as time-limited technical assistance missions overseas.

The profile
The person we are looking for has proven experience in oils and fats processing, refining, margarine production and packaging. This experience should ideally include former responsibilities in plant construction and management. He should be aged between 35-45, preferably bilingual (English/French) and willing to travel extensively.

The reward
The successful candidate will be granted a salary commensurate with his abilities and the responsibility of the function. Assistance in relocating from the UK to Belgium will be provided.

Please write, in confidence, with details of career and present remuneration to:

Mr. Chris P. Gerhardt, Managing Director
BEFICO S.A.
Place du Champ de Mars, 5 - Boîte 28
B - 1050 Brussels, Belgium

Group Financial Director

This is an opportunity to join the Board of a vigorously independent public group – turnover in the £25m to £35m range – and to contribute to its growth and diversification. Products are consumer and industrial; the brand name is universally known: technical and financial resources are strong.

The emphasis will be on central finance, control and general management contribution although funding and the secretarial function will be embraced. The infrastructure of control – modern systems, profit centre organisation and in-house computing – is well developed; the essential need now is high quality leadership in this area and an authoritative financial voice in the overall direction of the group.

Candidates, aged probably around 35, must be chartered accountants with successful experience, at least at financial controller level, in a relevantly sized manufacturing organisation which is strongly profit orientated. Starting remuneration about £17,000, exceptionally higher, plus car and other benefits. Location: easily accessible central Midlands.

Please write – in confidence – with brief career details to P. Saunders ref. B.211.

This appointment is open to men and women.

MSL
United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Group Company Secretary

up to £13,000 plus car

Fairey Holdings Limited heads a group comprising a number of companies engaged in advanced engineering. The group is profitable, financially strong and planning expansion.
Besides secretarial responsibilities the man or woman appointed will handle the group's legal, insurance and pension requirements. Applicants should therefore be Solicitors, preferably with 3 or 4 years post-qualification commercial or industrial experience, and some exposure to business acquisitions and property work would be an advantage. The person appointed must have the personal qualities required to contribute at Board level and is likely to be in the age range 30-40.
The appointment will be based at Heston in Middlesex. The remuneration package could be up to £13,000 pa. In addition a car will be provided and there is a non-contributory BUPA scheme and a contributory pension and life assurance scheme.
Applications with full details of qualifications and career should be marked 'Confidential' and addressed to: The Finance Director, Fairey Holdings Limited, Cranford Lane, Heston, Hounslow, Middlesex TW5 9NQ.

Fairey

Bayer UK Limited, part of the International Bayer Group needs a qualified Accountant for their Management and Financial Services Division in Richmond Surrey. If you are a qualified accountant this will be an excellent opportunity to make a real contribution to the company's future.

Chief Financial Accountant – Surrey

Reporting directly to the Divisional Director you will be responsible for the preparation of consolidated financial accounts, management of the Accounts Department and developing and improving the accounting systems.
You should, preferably, have experience in a multi-divisional operation using computer systems and should display initiative and an ability to communicate with all levels of management.
Preferred age, early thirties.
The salary is negotiable. Company benefits include company car, pension scheme, private medical insurance and relocation expenses, if appropriate.
Please write or telephone for an application form to:

BAYER
Mrs. E. Hubbick,
Personnel Department,
Bayer UK Limited,
Bayer House,
Richmond,
Surrey TW9 1SJ.
Tel: 01-940 6077

Bayer thinks of tomorrow – today

CHEMICALS · RUBBER · POLYURETHANES · ENGINEERING PLASTICS · DYESTUFFS · TEXTILE FIBRES · CROP PROTECTION PRODUCTS · PHARMACEUTICAL: PHARMACEUTICALS, DENTAL & CONSUMER PRODUCTS · VETERINARY PRODUCTS R79/21

Finance Director Designate

Engineering Products

The company, part of a UK £600m diversified group, manufactures products and systems for the international oil and gas industries. Turnover at around £22m is expected to reach £35m within two years, 40% coming from its US subsidiary.

The Finance Director Designate will be responsible for company finances and computer services and have functional control of divisional accountants at home and overseas. A key task initially will be to improve and co-ordinate financial and reporting systems. On satisfactory completion of 6 to 9 months' service a board appointment will be offered.

Candidates should be qualified accountants with at least five years' relevant senior experience in the engineering industry.

Salary negotiable around £11,500 plus car. Location Berkshire.

Please send brief details – in confidence – to David Bennell ref. B.43593.

This appointment is open to men and women.

MSL
United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Managing Director

Vibration and Noise Control

Cementation (Muffelite) Limited is a well established and expanding Company in the field of vibration and noise control, primarily in the aerospace, engineering, electronic and construction industries, and supplies markets both in the UK and overseas. Based at Walton-on-Thames the Company employs 120 people and has a turnover of approximately £2 million per annum increasing.

Candidates, preferably aged 35-50, will be General Managers experienced at board level and already controlling a successful operation in an allied industry. The emphasis is on maintaining profit momentum both through organic growth and by acquisition.

Please send career details for the personal attention of The Chairman, Cementation (Muffelite) Limited, c/o Cementation Specialist Holdings Limited, Maple Cross, Nr. Rickmansworth, Herts.

Investment Analyst

Applications are invited from men and women between 22 and 28 years of age to join a small department dealing with the investment of the Philips and Pye Pension Fund.
The job is to carry out a continuous reviewing programme of the portfolio of Ordinary Shares and to formulate and execute ideas for new investment.
A degree or equivalent qualification would be an advantage; some related work experience is necessary.
Salary will be commensurate with age and experience; attractive conditions of employment including over four weeks' holiday.
Please telephone for an application form or write with brief details to Personnel Department, Philips Industries, Arundel Great Court, Arundel Street, London WC2R 3DT. Tel: 01-836 4360 Ext. 504.

PHILIPS

HARROW COLLEGE OF HIGHER EDUCATION
FACULTY OF SOCIAL SCIENCES
(School of Business and Social Studies)

Lecturer in Banking

Required from 1st September 1979, a *Lecturer I/II (two posts),* dependent on age and experience, to join a team of staff concerned with the teaching and administration of Banking courses, especially the IOB Stage II and Financial Studies Diploma.

The person appointed will be expected to contribute to the teaching of at least two of the following: Practice, Elements, Law Relating and Investment for the Institute of Bankers' Examinations.

Applicants should be graduates and/or professionally qualified (AIB).

Salary at appropriate point on the Burnham Scale (1978) £3,192-£6,558 plus London Weighting (£474). An increase in the salary scale of approx. 10 per cent is anticipated.

Application forms and further details are obtainable from the Principal, Harrow College of Higher Education, Watford Road, Northwick Park, Harrow HA1 3TP. Tel: 01-864 5422, Ext. 32, to whom the forms should be returned within 14 days from the appearance of this advertisement.

JOB WARNING!

You could be in danger:

- Of being in the wrong job
- About to take the wrong job
- Of missing the right job
- Of not using sufficient of you talents
- Of not earning the salary you deserve (this could easily cost £100,000 over a career)
- Of not gaining the level of job satisfaction essential for your well-being

We can help you avoid these dangers by showing you clearly what your true potential is and what your ideal work situation could be.

We can help you find the right situation if you are in the wrong one. With the right people for the right reasons.

For a confidential discussion without commitment ring Donald Hem, 01-734 0752 or write to:

Royston Ridgeway

Career Managing People,
Kent House, 87 Regent Street
London, W1, and at Manchester

Leasing Brokers

London + Manchester c £12,000 + car

A unique opportunity to join the financial side of an expanding group of companies writing substantial amounts of commercial vehicle leasing business.

You will probably be in your 30's and have a wide experience of financial affairs. This post could well suit a successful businessman, leasing or finance broker. Extensive contacts with private and corporate leasors would be an additional advantage.

The remuneration package will be tailored to the individual but will provide the successful person with a yearly income of at least £12,000 plus a company car.

Phone: Bruce Pope, (01) 235 7030. Ext. 31.
(Answering service out of hours: (01) 235 6938.)
PER, 4/5 Grosvenor Place, London SW1X 7SB.
Applications are welcome from both men and women.

PER Professional & Executive Recruitment

SETTLEMENT STAFF
STOCKBROKING

We are a leading firm of stockbrokers on the Centre-file system who wish to recruit the following staff:

SENIOR RIGHTS CLERK
An experienced clerk to join as a senior member of the team in our Special Settlement Division.

MARKET ACCOUNTING CLERK
An experienced clerk is required to undertake market accounting under Talisman. This is a permanent position and training will be given on Talisman if necessary.

To apply please telephone
01-236 3996

A FAST DEVELOPING INTERNATIONAL BANK
Invites applications for the following executive position:

COMMODITIES MANAGER

—*Qualified applicants will have considerable operational experience and excellent relations in the field.*
—Post will be based in Paris with extensive travelling abroad.
—The candidate chosen will be responsible for a large geographical area in Europe.
—Fluent French & English essential, other languages appreciated (German, Spanish)
Remuneration and other terms of employment will be in line with best international banking practice.
Applications containing full correct details and salary history, which will be treated in confidence, should be addressed to Box F.1118, Financial Times, 10, Cannon Street EC4P 4BY.

The Personnel People Column

Accountant – International Bank c£8,000 + Banking benefits

Excellent chance for an Accountant to become part of an international banking organisation; the job is based in the City and involves travel in Europe on operational reviews. First class prospects and *fringe benefits.*

Merchant Banking £7,000-£9,000

A major London based banking concern is seeking a young banker to join their international industrial finance team. He or she will have had two or more years' experience in a similar department, and be feeling that their current job lacks the scope that this group, with its world-wide interests, can offer.

The Personnel People
The Consultants in Executive & Professional Recruitment
01-638 2158 01-628 2689

NEGOTIATOR ON TERMS

REQUIRED PART TIME

Experienced in Business Finance, Legal and Accountancy

Write Box A6791, Financial Times, 10 Cannon Street, EC4P 4BY

INTERNATIONAL PACKAGING

UK company seeks MD with dynamic record in sales management for domestic and EEC markets.

Send résumé to Box A.6901, Financial Times, 10 Cannon Street, EC4P 4BY.

هكذا صنا الأصل

Our clients, a leading company of City Stockbrokers, is seeking staff for its expanding Japanese Department

Institutional Sales

The ideal candidate would be aged 26-30 with experience of servicing Institutional Fund Managers. Knowledge of the Japanese Market would be an advantage, but is not essential as comprehensive training would be provided.

Investment Analyst

To join a lively, go-ahead team specialising in the Japanese Market. The ideal candidate should be aged 26-30 and have good previous investment analytical experience, though not necessarily in the Japanese sector.

Salaries are negotiable but at fully competitive rates. Please contact, in the first instance,

DELLA FRANKLIN
ALANGATE AGENCY
Banking and Broking
Recruitment Division
01-248 6071/236 0691

All enquiries are treated in the strictest confidence

Management Accountant –Analyst

Berkshire to £8,500

Ampex Corporation, a world leader in analogue and digital data recording technology, has been designated the official supplier of video recording and magnetic tape products to the 1980 Moscow Olympics.

This new post arises in the European Headquarters at Reading, reporting to the European Controller, with responsibility for the analysis of subsidiary company results, budgetary control and asset management. This is a challenging opportunity for a young accountant with an appreciation of multi-national accounting practice and reporting discipline.

Relevant experience and analytical ability are more important than formal qualifications. Some travel envisaged. Good pension and related benefits, plus relocation assistance.

Contact Clive Legg or Joan Feaver, Ampex Great Britain Limited, Acre Road, Reading, Berks. Telephone 0734 85200.

Lloyd Chapman Advertising
123, New Bond Street, London W1Y 0HR 01-499 7761

Credit Manager

Career Opportunity — West Scotland

Plans for further business development create an excellent opportunity for a professional Credit Manager in a company which is a major force in its sector of retailing where credit finance has played a key part in its success. The person appointed will report to the Financial Director and be expected to develop the credit function both in its systems and people in order to meet increasing needs. Candidates, male or female, aged 30-40, must be able to show a high degree of success in a credit management role in a retail business where customer relations are important. Experience of systems implementation would be a distinct advantage. Opportunities for advancement are particularly good either in this progressive company or the U.K. group of which it is part. An attractive salary will be paid to attract the calibre required, plus car, profit share, BUPA and other benefits including help with relocation costs.

(PA Personnel Services Ref: AA45/6937/FT)

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
127 George Street, Edinburgh, EH2 4JN. Telephone: 031-225 4481

MANAGER FOR LONDON SUBSIDIARY
Mature bankers of wide experience are invited to join a newly licensed bank intending to expand to the whole range of banking transactions. Salaries and benefits to be discussed.

FOREIGN EXCHANGE 2ND DEALER
To assist chief dealer of a new o/s bank — London Branch. Must have experience in all currencies. Excellent prospects. Salary negotiable. Age 25+.

SENIOR BANKING ADMINISTRATOR
For established City bank, to cover a wide variety of banking and administrative duties. Age 33+. Salary £7,500.

SENIOR DOCUMENTARY CREDITS CLERK
For newly established London branch. Knowledge of F.X reconciliation an advantage. Age 26+. Salary £6,500.

ACCOUNTS ASSISTANT TO £5,000 P.A.
For leading commodity broker. Usual range of duties and computer input, good prospects.

ACCOUNTS CAREERS IN MONEY BROKING
Two progressive opportunities for ambitious candidates now available.

LOANS ADMINISTRATOR—UP TO £4,000 P.A.
Interesting position for someone with lending background experience. Appropriate training given. Early 20s. Good prospects in expanding area.

JUNIOR DEALER
Good opportunity for young person with F.X. background interested to go into dealing.

LJC Banking Appointments
01-283 8958/9 – for an immediate appointment

Lending Officer

An opportunity to join the International Banking Department of Continental Bank.

We are looking for candidates with a proven record of corporate lending ideally in an American International Bank dealing principally with UK industrial clients. The successful applicant will have had a minimum of two years as an officer handling customer relationships, probably following a period of formalised training.

An attractive salary is offered together with an excellent benefits package, which includes a low interest rate mortgage facility plus non-contributory pension scheme.

Please telephone for an application form or send cv to:

Stephen Bourne, Personnel Manager, Continental Illinois Corporation, 162 Queen Victoria Street, London EC4V 4BS. Tel: 01-236 7444.

CONTINENTAL BANK
Continental Illinois National Bank & Trust Co. of Chicago

GRADUATES '78

are you disappointed with your job?

If you graduated in 1978 and are not happy with your present position you might be interested in working for Tradax, England, Limited, the international grain shippers and commodity merchants, who are affiliated to Cargill Inc., and thus form part of the world's largest grain trading organisation. Tradax is represented in forty countries throughout the world and has diverse trading and manufacturing interests.

We offer a comprehensive training programme and trading opportunities in grain, meal, sugar, oil, metal and freight for

COMMODITY TRADERS

You will be working in our UK headquarters at Maidenhead, or our City of London office. An attractive benefits package is available including generous salary, non-contributory pension scheme and, where applicable, relocation assistance.

Applications should be made in writing to The Personnel Manager:

TRADAX, ENGLAND, LIMITED
Tradax House, St. Mary's Walk, High Street, Maidenhead, Berkshire.

Group Financial Controller

West Midlands c £10,000+car

K. E. Millard & Co. Limited the parent company of a group of companies engaged in building contracting, speculative housing, property development and manufacture, with a turnover exceeding £10m wishes to appoint a qualified Accountant to take full responsibility for the financial management and accounting functions of the Group. The person appointed will report directly to the Group Managing Director and as a member of the Group Management Committee will be expected to make a positive contribution to the future development and expansion of the Group.

The successful applicant will have experience in costing, budgetary control, cash management and financial planning, preferably some of which will have been gained in a contracting organisation. Staff management ability and knowledge of systems are essential.

Please write in strict confidence giving full details of career to date including salary progression, to:

G K Morrison
Group Managing Director
K E Millard & Co Limited

Millard
Burnt Tree House, Burnt Tree, Tipton, West Midlands. DY4 7UE
Telephone: 021-557 8232

Deputy Accounts Manager For Lloyd's Syndicate c.£8500

As a leading Lloyd's Syndicate, we are seeking to recruit an Accountant who will be responsible for the production of our accounts.

The successful applicant will have proven experience either with a Lloyd's Syndicate or with a firm of Chartered Accountants, specialising in this field.

Together with an excellent salary we are able to offer good fringe benefits which include free medical expenses, Permanent health and life cover scheme.

For further information please telephone Personnel Department 01-481 3765

WANTED: Slightly Used Executives

Industry's biggest current need is for seasoned, mature executives in their 30s, 40s and 50s. Chusid clients have proven that these are the most productive and rewarding years of their lives.

To learn how "slightly used" executives have renewed their careers, you're invited to meet one of our professional Career Advisers without cost or obligation.

For your personal, confidential appointment phone or write to our nearest office.

We help change lives!

FREDERICK CHUSID & COMPANY LTD.
Consultants in Executive Evaluation and Career Advancement
London: 35-37 Fitzroy Street, W.1.
Phone 01-637 2298
[illegible]
We are not an Employment Agency.
Sunday Answering Service

InterMatrix Group

MANAGER–FINANCE AND ADMINISTRATION

Exceptional opportunity, potentially leading to partnership, for qualified accountant or business graduate in rapidly growing international business consultancy in London, Geneva and New York. Experience of international and/or small business and languages preferred.

Part of the top management team, responsibilities include financial management; project control; administration, some consulting.

Competitive salary and benefits with opportunity for equity and profit participation.

The InterMatrix Group advises international companies in Europe and North America on strategic planning, analysis and forecasting of economic, social and political issues and trends.

Write in confidence, with personal and career details to:— J. V. Dauman, InterMatrix Group, 4, Cromwell Place, London SW7 2JJ.

Job Search OPPORTUNITIES

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
- As Europe's most experienced Job Search organisation we can provide you with all the facilities you need to build up contacts and locate your next employer.
- Our expert career advisory service is essential to executives who become vulnerable to the current fast changing market conditions.
- Telephone us for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings, Trafalgar Square, London WC2.

MANAGING DIRECTOR

A Managing Director is sought for a company operating a chain of retail shops throughout the United Kingdom selling own brand goods with little opposition. The company has embarked upon a programme of expansion and new units will continue to be opened into the foreseeable future.

Ideal applicants will probably be in mid-30's, possibly graduates, almost certainly qualified accountants with a bent towards commerce in general and marketing in particular. Salary will be related to profitability and will be well into five figures: a company car will be provided with a first-class Pension Scheme and B.U.P.A. insurance as additional attractions.

Hopefully, the appointee would take up duties from 1st September, 1979.

Full c.v. should be sent in confidence to:
Box A.6797,
Financial Times, 10 Cannon Street, London EC4P 4BY.

LINCOLN COLLEGE
New Zealand
CHAIR IN MARKETING

The Council of Lincoln College, University College of Agriculture, invites applications for appointment to the Chair in Marketing in the Department of Agricultural Economics and Marketing.

Applicants should hold an advanced university degree in an appropriate discipline. While direct academic, research and/or commercial experience in the marketing of agricultural and horticultural products will be an advantage, the Council will welcome applications from candidates whose principal posts in the past have been in other areas, but who also display outstanding potential in the marketing field. The Council would also be prepared to consider a short-term appointment from an applicant who does not wish to accept a permanent position.

The appointment will be made within the existing range of professorial salaries: NZ$ 23,865 to NZ$ 29,865 per annum, the commencing salary being determined by the College Council.

Expenses of appointment reimbursed up to specified limits. New Zealand Government Superannuation is available.

Further details and general Conditions of Appointment are obtainable from the Secretary General, Association of Commonwealth Universities (Appts), 36 Gordon Square, London WC1H 0PF, or from the Registrar of the University.

Applications close on 14 September, 1979.

LENDING OFFICERS
c. £10,000
Young graduates with 2 to 3 years domestic or international experience to assist in development of well established team with major U.K. or U.S. banks.

EUROBOND RESEARCH
to £13,000
Economist 25 to 35 with 2 to 3 years Fixed Interest research experience plus communicative ability to join expanding team of major U.S. Investment Bank.

INVESTMENT RESEARCH
£7,000 to £16,000
As the specialist consultancy for Stockbrokers and Institutions we search on behalf of reputable Clients for experienced analysts, 24 to 35, with track records in such sectors as ENGINEERING, ELECTRICALS, CHEMICALS, PHARMACEUTICALS, OILS, BREWERIES, FOOD MAN., RETAILING . . . to take responsibility or assist in a research or sales capacity.

Why not ring for an initial confidential talk?

Stephens Selection
35 Dover Street, London W1X 3RA.
01-493 0617
Recruitment Consultants

QS Banking Recruitment Consultants

Exchange Control Adviser	£10,000
Banking Hall Supervisor	£8,000
Trainee Money Brokers	£ negotiable

We give a highly personalised and confidential service for Merchant and International Banking vacancies at all levels. Please contact us if you are desirous of furthering your banking career.

Please telephone
Sheila Anketell-Jones
236 0731
30 Queen Street EC4

CLUBS

EVE. 189, Regent Street. 734 0557. A la Carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE. 69 Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT" 11-3.30 am. Shows at midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

ART GALLERIES

AGNEW GALLERY. 43 Old Bond St., W.1. 01-629 6176. Sanie 53 ct OLD MASTER PAINTINGS. Until 27 July. Mon.-Fri. 9.30-5.30. Thurs. until 7.00.

COVENT GARDEN GALLERY. 20 Russell Street, W.C.2. 836 1139. Summer Exhibition until July 4. Early British Watercolours, Drawings, Pastels and Oils. Lawrence, Sandby, Rowlandson, Adam, Hardy, etc. Daily 10-5.30. Saturday 10-12.30. Thursday 10-7.00.

CRANE KALMAN GALLERY. 178, Brompton Rd., S.W.3. 01-584 7566. MODERN BRITISH EUROPEAN AND AMERICAN PAINTINGS AND SCULPTURE. Mon.-Fri. 10-6. Sat. 10-4.

FINE ART SOCIETY. 148, New Bond St., W.1. 01-629 5116. THE RE-DISCOVERY OF GREECE and HENRY & HORNEL in Japan 1893.

GALERIE GEORGE. 96-98, George Street, W.1. 01-935 3522. Fine 19th and 20th Century British & European oil paintings, watercolours and graphics at keen trade prices. £150-£2,000. Mon.-Fri. 10-6.

HAMILTONS. 13, Carlos Place, Nr. Grosvenor Sq., W.1. 499 9493-4. Important exhibition of the French late impressionist painter Marcel Vertes, including oils, watercolours, drawings and lithographs.

IPL FINE ARTS. 24, Davies St., London, W.1. 01-493 2630. PIERRE BONNARD DRAWINGS. May 29-July 6. Mon.-Fri. 10-6.

LEFEVRE GALLERY. CONTEMPORARY PAINTINGS. Weekdays 10-5. Sats. 10-1. At 30, Bruton Street, London, W.1. Tel. 01-493 1572.

LUMLEY CAZALET. 24, Davies St., W.1. 01-499 5058. AKIRA KUROSAKI—Recent Woodcuts. Until 27 July.

MacCONNAL-MASON. CECIL KENNEDY AND HIS FLOWERS, June 12-26. Mon.-Fri. 9.30-5.30. Sat. 9.30-12.30. 14 Duke Street, St James's, London, S.W.1. Tel. 01-839 7693.

MALL GALLERIES. The Mall, S.W.1. Society of Graphic Artists. Mon.-Fri. 10-5. Sats. 10-1. Until June 15. Adm. 25p.

MARLBOROUGH. 6, Albemarle St., W.1. BRAQUE, CHAGALL, LEGER, MIRO, MONET, SIGNAC, SOUTINE, VUILLARD & sculpture by HEPWORTH, LIPCHITZ & MOORE until 22 June. Mon.-Fri. 10-5.30. Sat. 10-12.30.

MORTON MORRIS & CO. in association with J. L. W. Bird, 32, Bury Street, St James's, London, S.W.1. 01-930 2823. Exhibition of 19th century watercolours of the WEST INDIES until 22nd June. Weekdays 10.00-6.00. Sat. 10.00-1.00.

OMELL GALLERIES. 22, Bury Street, St. James's, S.W.1. 19th CENTURY ENGLISH AND CONTINENTAL OIL-PAINTINGS. Our current stock comprises over five hundred selected works with prices from £400 to £2,000. For further details phone 01-839 4274-5.

OMELL GALLERIES. 40, Albemarle St., Piccadilly, W.1. New selection of fine modern French paintings, including Blanchard, Chetteus, Deschamps, Delin, Gresot, Herve, Jacob, Pessel, Robin, etc., and fine modern British marine paintings and watercolours.

REDFERN GALLERY. JEFFREY SMART, NEW PAINTINGS. June 7th-July 4th. 20 Cork Street, London, W.1. Mon.-Fri. 10-5.30. Sat. 10-12.30.

SABIN GALLERIES. 4, Cork Street, W.1. 01-734 6186. EXHIBITION OF ENGLISH PAINTINGS 1611-1830. Monday-Friday 9.30-5.30.

LEGAL NOTICES

THE COMPANIES ACT, 1948

In the Matter of CALARON LIMITED, Audio and Visual Equipment Dealers. Winding-up Order made 19th March, 1979. Creditors: 27th June, 1979, at Room 830, Templar House, 81, High Holborn, London, WC1V 6LP at 11.00 o'clock.

COMPANY NOTICES

C. ITOH AND CO. LIMITED

TO THE HOLDERS OF THE BEARER DEPOSITARY RECEIPTS

NOTICE IS HEREBY GIVEN that the [illegible] general meeting of shareholders of C. Itoh and Co. Ltd. will be held at [illegible] June 29th, 1979 at the head office of the company located [illegible] Osaka, Japan. [illegible]

ITO-YOKADO CO., LTD.
(CDRs)

Referring to the advertisement of 9th January 1979 the undersigned announces that the new shares from 10% bonus have been received. As from June 20, 1979 the new CDRs Ito-Yokado Co. Ltd. cum div.cp.No. 11 and talon will be gratuitously obtainable at Kas-Associatie N.V., Spuistraat 172, Amsterdam, against delivery of the required div.cps.No. 9. As to the outstanding CDRs rep. 5, 50 and 100 Dep.Shs. of 10 shs. each, a holder of 10 CDRs of the same denomination is entitled to receive one new CDR of that denomination. Combination of denominations is possible.

In Luxembourg div.cps.No. 9 can be delivered at Banque Generale du Luxembourg S.A., 14, Rue Aldringen, for this purpose.

After 19.9.1979 the equivalent of the CDRs which have not been claimed by the holders of div.cps.No. 9 will be sold. The proceeds, after deduction of expenses, will be held in cash at the disposal of said holders.

Further, the undersigned announces that as from June 20, 1979 at Kas-Associatie N.V. in Amsterdam and at Banque Generale du Luxembourg S.A. in Luxembourg div.cp.No. 10 (accompanied by an "Affidavit") of the CDRs Ito-Yokado Co. Ltd. will be payable with U.S.$1.83 per CDR, repr. 5 Dep.Shs. of 10 shs. each, $18.30 per CDR, repr. 50 Dep.Shs. of 10 shs. each and $36.60 per CDR, repr. 100 Dep.Shs. of 10 shs. each.

(div. per record-date 28.2.79, gross Yen 9.5 p.sh.) after deduction of 15% Japanese tax =

Yen 71.25 = $0.32 per CDR repr. 5 Dep.Shs. of 10 shs. each.
Yen 712.5 = $3.20 per CDR repr. 50 Dep.Shs. of 10 shs. each.
Yen 1,425 = $6.40 per CDR repr. 100 Dep.Shs. of 10 shs. each.

Without an Affidavit 20% Jap. tax (= Yen 95 = $0.43 per CDR, repr. 5 Dep.Shs. of 10 Shs. each; Yen 950.0 = $4.30 per CDR, repr. 50 Dep.Shs. of 10 shs. each; Yen 1,900.0 = $8.60 per CDR, repr. 100 Dep.Shs. of 10 shs. each) will be deducted.

After 19.9.79 the div. will only be paid under deduction of 20% Jap. tax, with resp. $1.72, $17.20 and $34.40 per CDR repr. resp. 5, 50 and 100 Dep.Shs. in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 8th June 1979

ASICS CORPORATION
(KABUSHIKI KAISHA ASICS)

Holders of the 5½ per cent Convertible Bonds 1993 of the above Company are hereby notified in accordance with condition 5 (C) (V) and (XI) of the Bonds that the conversion price will be adjusted from Yen 628 to Yen 622.20 per share of Yen 50 with effect from 5th June 1979 (Tokyo time). This adjustment results from the issuance of 5,420,000 shares of Yen 50 at Yen 470 per share effective 5th June 1979 (Tokyo time) by way of public subscription in Japan.

ASICS CORPORATION
1-3, Terada-cho, 3-Chome,
Suma-ku, Kobe City, Hyogo, Japan

BRASILVEST SA
Sociedade de Investimento
DL No. 1401

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Brasilvest SA Sociedade de Investimento DL No. 1401 will be held at Rua Direita 250, São Paulo, Brazil on Monday, 18th June, 1979 [illegible]

[illegible]

THE CREDIT ASSOCIATION OF PROPRIETORS OF SMALL LANDED ESTATES IN JUTLAND 4% AND 5% BONDS

NOTARY PUBLIC has effected the DRAWING prescribed in the Articles of Association [illegible] of the Credit Association [illegible]

Lists of the bonds drawn may be obtained from Hambros Bank Limited, 41, Bishopsgate, London, EC2P 2AA or on application to the office of the Association in Aalborg, or Den Danske Bank [illegible]

HAMBROS BANK LIMITED
14th June 1979

BRASCAN LIMITED
(Incorporated under the laws of Canada)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Brascan Limited will be held [illegible] Toronto, Ontario, Canada [illegible] 1979, at [illegible] for the following purposes:

[illegible]

[illegible] such proxy are delivered to the Secretary of the Company, Box 48, Commerce Court Postal Station, Toronto, Ontario M5L 1B7, Canada, or at any of the other aforesaid named offices in England and Belgium on or before June 27, 1979 and provided that, in the event that voting certificates and instruments appointing proxies are lodged other than at the head office of the Company notice of such lodgement shall have been received by the Company at its head office from any of the aforesaid offices in England and Belgium on or before 11.00 a.m. on June 28, 1979. Voting certificates issued in respect of Share Warrants to Bearer will have a form of instrument appointing a proxy printed on the reverse side.

By Order of the Board
L. A. ALLEN, Secretary.
Toronto.
June 14, 1979.

PUBLIC NOTICES

CITY OF EDINBURGH DISTRICT COUNCIL
VARIABLE RATE REDEEMABLE STOCK 1983

For the six months from 9th June 1979 to 9th December 1979, the interest rate on the above stock will be 12.5938% per annum

BANK OF SCOTLAND
55 OLD BROAD STREET,
LONDON EC2P 2HL

BIRMINGHAM COUNCIL BILLS
£7.5m 91-day Bills issued 14th June, mature 13th September 1979. Applications totalled £46m. Minimum accepted price £97.13[illegible]. Average rate of discount £11.4915%. Total Bills outstanding £23.5m.

BURNLEY BOROUGH COUNCIL BILLS
£325,000 Bills issued 13.6.79 maturing 12.9.79 at 11[illegible]%. Applications totalled £2,275,000 and there are £325,000 Bills outstanding.

CITY OF EDINBURGH DISTRICT COUNCIL
£1.5m Bills issued 12th June due 11th September 1979 at 11[illegible]%. Applications totalled £9m. £4.5m Bills outstanding.

METROPOLITAN BOROUGH OF SANDWELL BILLS
£1,750,000 Bills issued 13.6.79 maturing 12.9.79 at 11 31-64ths%. Applications totalled £10,750,000 and there are £5,500,000 Bills outstanding.

WIRRAL METROPOLITAN BOROUGH COUNCIL BILLS
£2,000,000 Bills issued 13.6.79 maturing 12.9.79 at 11 31-64ths%. Applications totalled £12,000,000 and there are £2,000,000 Bills outstanding.

TRAVEL

GENEVA. Basle, Zurich & Berne widest range of cheap flights from 4 UK airports. Brochure CPT Ltd. 01-351 2191. Telex 919078. ATOL 369B.

EXHIBITIONS

DUE TO THE CANCELLATION OF
THE GROSVENOR HOUSE ANTIQUES FAIR
W. R. Harvey & Co (Antiques) Ltd
are proud to announce
A SPECIAL EXHIBITION
of recent acquisitions at their Chalk Farm premises
13-23 JUNE
Opening hours: 9.30-1 and 2-5.30
67-70 CHALK FARM ROAD, LONDON, NW1 · TEL. 01-485 1504

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

CONTAINER LEASING

Choularton's Tax Sheltered Investment Department undertakes the management of containers on behalf of private owners.
As established Container Leasing Managers we can provide a professional service to individuals and companies who already operate in or wish to enter, this area of international shipping.
For full details, please telephone or write to: J.C.D. Lowe
Telephone: 061-928 9011

C.P. CHOULARTON SONS & PARTNERS LTD.
Ashley House, 30 Ashley Road, Altrincham, Cheshire WA14 2DW

Finance for Growing Companies

If you are a shareholder in an established and growing company and you, or your company require between £50,000 and £5,000,000 for any purpose, ring David Wills, Charterhouse Development.
Investing in medium sized companies as minority shareholders has been our exclusive business for over 40 years. We are prepared to invest in or lend to unquoted companies currently making pre-tax profits of more than £100,000 per annum.

CHARTERHOUSE

Charterhouse Development Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Telephone 01-248 3999
A member of The Charterhouse Group

Cash Voucher

This cash voucher entitles your company to an immediate
75% CASH AGAINST INVOICES
Subject to approval

Cash flow problems? Then cash this!

Need Cash Now? You've got it right there on your books! Confidential Invoice Discounting Ltd gives you 75% cash against invoices—money you can put to work today. Our invoice discounting system is entirely confidential. Your clients remain totally unaware of its existence. For the full facts post this voucher now or phone us direct.

Confidential Invoice Discounting Ltd.
Circus House, New England Road, Brighton, Sussex BN1 4GX
Telephone Brighton (0273) 606700. Telex: 87382.
Also Birmingham, Cardiff, Leeds, London, Manchester.
A subsidiary of International Factors Limited.

CHESHAM

ACQUISITIONS & MERGERS BY AGREEMENT
AMALGAMATIONS & INVESTMENTS LIMITED

Our business is merging your business. Successfully.

36 CHESHAM PLACE LONDON SW1. 01-235 4551

'I'm making a fantastic living. But not for me.'

As an employee, your horizons are limited. As the holder of a ServiceMaster franchise, the sky's the limit.
Internationally, 2000 people are reaping the rewards of their own business sense and effort.
The training is continual and comprehensive. And the organisation is the best in the field.
For more information, ring 0333 548620 or write to us at ServiceMaster Ltd., 50 Commercial Square, Freemans Common, Leicester LE2 7SR.

ServiceMASTER

Office of Court Usher EDMOND LUYTEN
Justitiestraat 9 - B2000 Antwerp/Belgium
Tel. 031/37/76/66

Court Usher EDMOND LUYTEN
in Antwerp/Belgium
will proceed to the final adjudication of the

SEA-GOING SHIP CHRISTINA

in ANTWERP/BELGIUM -
BOATSMEN'S EXCHANGE (Lange Nieuwstraat)

ON TUESDAY 3 JUNE 1979

at 5 p.m. (after the afternoon chartering-session) after the tentative adjudication dated 22/5/79 in pursuance of a higher bid made for 13.750.00 BF

VIEW: by telephone appointment and with the Court Usher's permission.
CONDITIONS: available at the Court Usher's office.

TELEXPERTS

★ Telex-share costs only £30 p.a.
★ Operator service 7 days a week
★ Receive facilities 24 hours
★ Your own telex number for stationery
★ Multiple destinations and relay a speciality
★ Completely confidential

Contact: FTGA Dept.
BRITISH MONOMARKS LTD (est. 1925)
01-405 4442 or 01-404 5014

FINE JEWELLERY AUCTION SYDNEY—AUSTRALIA

AT THE HILTON HOTEL
TUESDAY, JULY 3rd, at 7 p.m.

A catalogue of diamond and gemstone jewellery including gold bracelet of 2½ ozs. by Carlo Giuliano and fine diamond bracelet of 23 cts.

Illustrated catalogues £2 including postage

JAMES R. LAWSON PTY. LIMITED
Fine Art Auctioneers and Valuers Since 1884
236 CASTLEREAGH STREET, SYDNEY, N.S.W.
Tel: (Sydney) 26 6408. Cables: Lawson Sydney

RESIDENTIAL LAND

Residential developer with excellent track record wishes to hear from residential landowners in the south of England who wish to develop in stages rather than selling outright and could result in substantial tax savings. References, accounts and funds available for suitable venture. Replies treated in confidence.

Reply Box G.3954, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCE FOR THE GROWING COMPANY

Obtain details of our **Factoring and Invoice Discounting Services**

ARBUTHNOT FACTORS LTD.
Breeds Place, Hastings TN34 3AB
Contact: S. E. Finch Tel.: 0424 430824

NEW LUBRICANTS TO BEAT THE OIL SHORTAGE

Grinding Fluid GF5. Free from nitrite, oil and cresylic. Equally good for general machining.
Safetysol EP3. Nitrite and cresylic free. Contains a little oil. Gives twice usual dilutions.
Also EPX15 for the most arduous operations.
Valdraw 15. Aqueous paste fluid for all presswork, drawing, swaging, etc.
D.p or flood application.
Preservative yet washable. No phosphate required.

VALZOL LUBRICANTS LTD.
Leamore Industrial Estate, Walsall WS2 7NJ
West Midlands. Phone 0922-76992 or 77904

THE CAR YOU WANT WITH THE LEASE YOU NEED

K. Watkin, Barnes, London SW13 01-748 4626
D. Bull, Coventry (0203) 411515
F. Wilding, Central London 01-387 0431

HENLYS LEASE

ESTABLISHING BUSINESS INVESTMENTS IN THE UNITED STATES

A seminar in ATLANTA, GEORGIA, USA
October 21-22-23, 1979

★ Sponsored by ★
The National Association of State Development Agencies

For information contact either any United States Consulate, OR
NASDA, Suite 213, 5205 Leesburg Pike, Falls Church Virginia 22041, USA - Telex: 87788

LEASING FACILITIES REQUIRED

Expanding private Group of Companies has available a continuing demand for Leasing facilities for a wide range of customers in amounts from £10,000 to £100,000. Block discounting facilities will also be considered.

We are particularly interested to hear from Corporate and Private Lessors requiring direct business on a continuing basis.

Write Box G.3868, Financial Times, 10, Cannon Street, EC4P 4BY

Swiss firm seeks well-established, successful company to organise leasing of a low-cost

TELEPHONE CALL METER

with immediate display of charges, combined with digital clock.
Patent applied for.

Please write, mentioning Bankers, references, to Box G4007, Financial Times, 10, Cannon Street EC4P 4BY.

THINKING OF SELLING YOUR BUSINESS? WE CAN HELP

We are the banking subsidiary of a public company and specialise in the provision of a wide range of financial services specifically to the private company sector.
We can offer experienced advice and assistance in connection with both the sale and acquisition of businesses. Contact one of our directors for discussion on a confidential but informal basis and we are sure our financial resources and know-how will benefit both you and your company.

CORINTHIAN SECURITIES LIMITED
20 Welbeck Street, London W1M 7PG Tel: 01-486 2234

LUXURY MOTOR YACHT

available for immediate chartering NEW 30 FOOT, 6 BERTH 'OCEAN' CLASS *self drive or Skippered as required.*

MOORED WINDSOR

Apply for further details to:
The Secretary Rochester Investments Ltd.,
1 Market Street, Worthing, Sussex.

SALES AGENCIES

Swiss subsidiary of U.K. Public Company seeks additional sales agencies for Europe from U.K. manufacturers of engineering products.

Please reply to:
Group Managing Director
Sale Tilney & Company Ltd.
28 Queen Anne's Gate
London SW1H 9AB

An expanding professional organisation in the

ELECTRONICS COMPUTING FIELD

is seeking to strengthen its management structure by the appointment of a non-executive director.
Applications, in confidence, are invited for the position which we envisage would be taken up by a person who has industry-wide experience at a senior level within these and related fields.
Write Box G 3997 Financial Times, 10, Cannon Street, EC4P 4BY.

LESS TAX REQUIRED

CORPORATE AND PRIVATE

For Tax Advantages and a Safe Return, Invest in Leasing *through:*
Metropolitan General Trust Co. Ltd.
47 St. Johns Wood High Street, London, NW8 7NJ.
Tel. 01-586 3245

OLD ESTABLISHED COMPANY

has interest in purchasing surplus office equipment, furnishings and fittings.
Our representative will be immediately available to call.
Telephone 01-480 6768 or Telex 27950

"ALUMINIUM" HARDWARE

Foreign manufacturer seeks importers unbeatably low prices for high quality. Gen. manager visits UK 14-24 June.

Contact: Inter-Trading
Tel: 0453 2888 Telex: 449752

MARKETING CO.

currently selling Aluminium Replacement Windows direct to the public, is seeking an alternative supplier. The range of windows must conform to BSI 4783. Suppliers must be capable of producing approximately 200 units monthly. Interested parties please write in the first instance giving details of price and delivery dates to
Box G 3950 Financial Times 10 Cannon Street EC4P 4BY

DOMESTIC SMOKE/ HEAT DETECTORS

Merchandising company seeks existing manufacturer or company capable of manufacturing domestic heat or smoke detectors. Apply with full details to.
Box G 3824, Financial Times, 10, Cannon Street, EC4P 4BY.

PARTNER REQUIRED

for new concept in High Street furniture retail. Advertiser has exclusive and valuable arrangements with overseas manufacturers.
Write Box G 4004 Financial Times, 10 Cannon Street, EC4P 4BY.

SCIENTIFIC AND TECHNICAL PUBLISHER

based in UK wishes to acquire interest in a similar organisation with a view to expansion. Capital available. Strict confidence observed.
Replies to Managing Director Box G.3976, Financial Times 10, Cannon Street, EC4P 4BY.

Have you a property in London suitable for conversion and resale, but no capital to proceed? West London Contractor will work with you on a split profit basis.
Write Box G 4005 Financial Times, 10 Cannon Street, EC4P 4BY.

CHANNEL ISLAND based group seek commercial investments and entrepreneurial situations in the U.K. and abroad. Write Box G.4009, Financial Times, 10, Cannon Street, EC4P 4BY.

ENGINEERING COMPANY seeks licensee with substantial manufacturing and marketing facilities for revolutionary fast food catering equipment. Write Box G.4002 Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESSMAN

—early 50s—qualified

with wide experience in Chemical/Mechanical engineering, surface finishing textile and paper industries, having many overseas connections, recently sold his manufacturing interests to a large group. He now seeks business venture—Birmingham area—in Service Agency field with probable emphasis on work with Europe & N. America. He has capital, time, knowledge and enthusiasm to invest and will take a major interest.
Write Box G.4003, Financial Times, 10, Cannon Street, EC4P 4BY.

Timber Fabrication

Capacity available in Southern England for manufacture of large quantities of timber framed housing or similar panels. Guaranteed deliveries.
Design service available.
Please reply to Box G.3959, Financial Times, 10, Cannon Street, EC4P 4BY.

GLOBEWIDE FINANCE LIMITED

ARE ABLE TO OFFER

Residential Mortgages of up to £500,000, Commercial and Corporate lending up to £6,000,000.
Large-scale leasing facilities and bridging finance are also available.

Principals only should write to:
111a, Westbourne Grove,
London W2 4UW.
Tel: 01-727 6474.

YORKSHIRE BUSINESSMAN HAS FUNDS AVAILABLE FOR PURCHASE OF EXISTING COMPANY

He is looking for
- business with a turnround or growth potential
- maybe with ownership succession problems where management wishes to remain
- at least with break-even performance but preferably with annual pre-tax profits of around £50,000+
- ideally based in Yorkshire

Write Box G.3980, Financial Times, 10, Cannon Street EC4P 4BY.

FACTORY IN SOUTH EAST ENGLAND

A small Engineering Company has planning permission for 6,000 sq. ft. of factory and offices on local council leasehold land in South East England. The lease is 99 years and building costs are between £85 and £90,000. The Company now require an interested party to build the premises and rent to them, giving them the option (at predetermined intervals) to purchase at the then market price. This could be a useful short term investment. Only principals apply please. For further information please write to Box G.3994, Financial Times, 10, Cannon Street, EC4P 4BY.

LIMITED COMPANIES

FORMED BY EXPERTS
FOR £78 INCLUSIVE
READY MADE £83
COMPANY SEARCHES

EXPRESS CO REGISTRATIONS LTD.
30 City Road, EC1
01-628 5434/5, 7361, 9336

SOUTH AFRICA EXPORT OPPORTUNITY

Manager of well-established South *African import agents* is visiting the UK later this month. Manufacturers of consumer goods wishing to sell their products in South Africa are invited to write to Box G3983, Financial Times, 10, Cannon Street EC4P 4BY.

If you Own or are Purchasing any type of modern OCEAN-GOING VESSEL

then ship management subsidiary of *currently Britain's most successful* ship-owning group will manage your vessels with the same care and consideration as their own under either British or foreign flag.
Write Box G 3050, Financial Times, 10, Cannon Street, EC4P 4BY.

DEALINGS IN INDIA?

Our chairman and legal advisor with high contacts is visiting India. He can settle claims, arrange collaborations, import-export agencies, etc.
Please write at once:
Mr. Dass, c/o T. Pooran and Co., 210 Dr D.N. Road, Bombay-1, India.

ISODAN

CAVITY WALL INSULATION

The Isodan system of cavity wall insulation uses dry granules, is Agreement Board certificated, and involves no on-site hazards or expensive equipment. Some areas in UK are available on a franchise basis to complete the network of existing installers. Exclusive territories, sales and technical literature, operator training, guarantees for each job, all equipment, and complete package enables selected installers to proceed without delay. No on-going fees or royalties are involved.
Detailed prospectus for genuine and serious applicants from:

ISODAN (UK) LIMITED
12 Mount Ephraim Road
Tunbridge Wells, Kent TN1 1EE

WORD PROCESSOR for sale. Privately used by consultant, good as new, distributor maintained. Phone 01-399 6530. Telex: 887769.

MAN, 40s, with capital seeks investment/partnership. Any legitimate venture considered. Write Box G.3979, Financial Times, 10, Cannon Street, EC4P 4BY.

NEW MARKET PRODUCTS? For details of monthly list of overseas firms seeking to trade with U.K., write Dept. F., 15 Selvage Lane, London, N.W.7.

£1 A WEEK FOR EC2 address or phone messages. Combined rates plus telex under £3 a week. Prestige offices near Stock Exchange. Message Minders International. 01-628 0898. Telex 8811725.

GOLFBALL TYPEWRITERS available for immediate hire, lease or sale. Ring 01-729 2727.

EASTERN EUROPE. Concluding sales contracts under counter trade obligation? Please contact us, we might help. Chiffre, LR94 an Publicitas Zug-Gubelstr. 19, 6300 Zug Schweiz.

BLOCK DISCOUNTING available for H.P. Credit Sales, Leasing, Money Lending contracts. Competitive terms. Prompt decisions. E & P Goode Ltd., 28, Ewell Road, Cheam, Surrey.

VENTURE CAPITAL REPORT, 2, The Mall, Bristol. The newsletter that channels capital to small businesses, investors or entrepreneurs, ring 0272 37222.

START AN IMPORT EXPORT AGENCY. No capital required. Established over 30 years. Clients in 119 countries. Send large S.A.E., Wade, Dept. F, P.O. Box 9, Marlborough, Wilts.

TELEX TRAFFIC PROBLEMS Too many messages to handle? Operator sick, on holiday? Or no machine of your own? City of London Agency will cope. 01 623 4554.

Manufacturing or Distribution

American manufacturer with own sales and distribution network mainly in the hotel, brewery and catering field, would like to make contact with companies or interested parties wishing to expand in this market. Products not related will also be considered. Please contact Mike Dwyer at the USACATER exhibition, West Centre Hotel 18th to 22nd, telephone number 01-385 1256 or write to Zyvex International, 110 Atlantic Drive, Maitland, Florida, 32751 USA.

French Technical Publication

Due to retirement of publisher, there is an opportunity to acquire leading French language technical publication. Also included are year-book and other related material.
For further information write in confidence to:
Box G.4008, Financial Times, 10, Cannon Street, EC4P 4BY.

ARE YOU LOOKING FOR A UNIQUE IDEA TO START OR EXTEND YOUR PRESENT BUSINESS?

We manufacture a Specialised Equipment for the internal inspection and repair of drains without excavation from 4" diameter upwards. A vast domestic and commercial market exists for this service. Approx. £5,000 per unit, leasing available. For further details write or phone
"Videoboard Ltd."
at 7, Colswold St., London, S.E.27.
Telephone: 761 1136.

SUPERIOR SURFACE COATINGS

For roof repairs, floor coatings, wall protection and decoration, there's nothing to match our unique and extremely durable range of plastic coatings

PLASTICS AND RESINS LTD.
Cleveland Road, Wolverhampton, WV2 1BU. Phone: 0902 53215

£50,000

CASH AVAILABLE FOR DISCREET PURCHASES

Anything honest. Reply in strictest confidence to Box G3987, Financial Times, 10, Cannon Street EC4P 4BY.

YOUNG GO-AHEAD CLOTHING/DESIGN COMPANY

wishing to expand, require working capital to exploit tremendous potential in high fashion menswear market. Equity available. Excellent prospects.
Write in confidence to Box G.3985, Financial Times, 10, Cannon Street, EC4P 4BY

ONE FOR THE MASTER AND ONE FOR THE SLAVE

is the incorrect way for store staff to behave. Thus that which is yours needs regular vetting, it must help to reduce the losses you're getting.

JOHN CHURCHILL & CO.
"The Stocktakers Who Count"
56, Hayes St., Bromley, BR2 7NX.
01-462 6237.

FINANCIAL GUARANTEE

needed to buy a very profitable company. Write to:
Box F.1114, Financial Times, 10, Cannon Street, EC4P 4BY.

DISTRIBUTION TO HOLLAND?

Highly successful UK based importer is looking for equally successful exporter to consider joint venture on transportation between UK and Holland.
Write Box G.3995, Financial Times, 10, Cannon Street, EC4P 4BY.

I have the money

Do you have any ideas for manufacturing?

Please write with full details to Box G.3986, Financial Times, 10, Cannon Street, EC4P 4BY.

ENGINEERING CONSULTANTS

WORKING IN EUROPE

wish to appoint local liaison representative. Telex needed. Should be located in Holland.
Write Box G 3977, Financial Times, 10, Cannon Street, EC4P 4BY.

MICROPROCESSORS

Medium sized group of companies wishes to acquire or establish business arrangement with small company engaged in Microprocessor design and development.
Write Box G 3974 Financial Times, 10, Cannon Street, EC4P 4BY.

OWNER OF SPACIOUS SHOP PREMISES

with 40 ft frontage and 12,000 sq ft floor area, located in main thoroughfare in Leicester, invites proposals for utilization of floor area. Could consider participation on acceptable proposition with capital investment.
Reply Mr. Hurst,
10, Palace Gate, Kensington, London W 8.
or tel. 01-589 7879 or 01-584 3415

SECRETARIAL SERVICES

Shorthand & Copytyping
Letters - Minutes
Manuscripts - Documents
Duplicating - Photocopying
Telephone 01-876 6031

SCALES, WEIGHING & ELECTRONIC COUNTING MACHINES

Rebuilt or new. Fully guaranteed. Keen competitive prices. Sale, lease, hire or rental terms available.

TODD SCALES LTD.
Nuffield Road, Cambridge.
Tel. (0223) 58326/52481

We are Specialists in the analysis of your business problems and the recommendation and implementation of suitable computerised solutions. For as little as £40.00 per week you could have a small business system which would improve your company's rate of growth.

Clansmen Business Consultants

Andre House, Salisbury Square, Hatfield, Herts AL9 5BH.
Tel: 07072 66675.
Telex: 25102 Chacom G CBC.

Small but rapidly expanding

LONDON FREIGHT FORWARDER

seeks co-operation with similar company having spare office and warehouse facilities for loading/unloading trailers/containers. For the right proposition advertiser would consider taking financial interest in such a concern.
Principals only reply to Box G.3975, Financial Times, 10, Cannon Street, EC4P 4BY.

PROJECTS IN AFRICA

ECONOMIST with successful experience and contacts in Africa wishes to collaborate by participation in development projects with industrial, agricultural or financial companies. Immediately available for consultation.
All replies will be answered and treated in strict confidence. Reply Box G4012, Financial Times, 10, Cannon Street EC4P 4BY.

IBM ELECTRIC TYPEWRITERS

Factory reconditioned and guaranteed by IBM.
Buy, save up to 30%
Lease 3 years from under £5 weekly
Rent from £25 per month
Tel: 01-641 2365

TRYING TO GET INTO LONDON?

Active Company soundly established in manufacturing and distribution, LONDON/HOME COUNTIES.
spare capacity for light manufacturing/assembly and/or wholesale distribution. Serious proposals on proven products welcomed. All replies answered in strict confidence.
Write Box G.4001, Financial Times, 10, Cannon Street, EC4P 4BY.

RUBBER TYRE PLANT IN BOLIVIA

Investment opportunity for total purchase of partnership.
Apply for information to P.O. Box 2755, Guatamala City, Guatamala, C.A.

LUXTON & LOWE LTD

Specialist Agents in the SALE & PURCHASE of HOTELS/CATERING & NURSING/REST HOMES
Urgently require sound businesses to meet steady demand.

Business Chambers,
98a Burlington Road,
New Malden, Sy. 01-949 5451. PBX.

EXECUTIVE SECURITY

ALL PERSONNEL EX ARMY

Our services include: Personal Protection; World-wide Courier Service; Instruction anti-Kidnap Techniques, etc.; Debt Collection.
Confidential inquiries to 01-437 3066

GULF BASED ORGANISATION

wishes to take equity participation in U.K. Companies preferably multi product based, with good operating management and turnover in excess of £500,000.
Please reply to:
Box G.3978, Financial Times, 10, Cannon Street, EC4P 4BY.

MANAGEMENT CONSULTANT

(35), D.B.A. (Harvard)
14 years' business experience in the UK and Europe will undertake to advise and represent interests wishing to move into the U.S. market. I will also undertake to quantify UK business and product ideas into a marketable vehicle to attract finance and commercial support
Write Box G.3911, Financial Times, 10, Cannon Street, EC4P 4BY.

CHIEF EXECUTIVES

Personal and confidential attention offered to companies with interests in Far East to supplement/complement or boost existing arrangements. Director in UK until 20/6/79. Interested parties telex 341365 Domo G, attention Nicholas Caldwell.

PHONE MATE—America's best selling telephone answerers for world wide use. Models from £145-£450. European Sales & Service Centre, 281A, Finchley Road, N.W.3. Tel: 01-431 0266.

PLANT AND MACHINERY

WE HAVE APPROXIMATELY 80 used Fork Lift Trucks ready for immediate delivery. Leading makes finished to manufacturers colours. List sent on request. Trade and export enquiries welcomed. Deliveries arranged world-wide. Large reduction on bulk purchases. Finance arranged. Birmingham Fork Lift Truck Ltd., 4-8 Hams Road, Saltley, Birmingham B8 1DU. Tel: 021-327 5944/5. Telex: 337052.

CONFERENCES

RSM Conferences—A one-day conference on Friday, 29th June, at the Cafe Royal, London, W.1, at 9 a.m.

"VALUE FOR MONEY"

How to be sure that the high cost of buildings represents optimum value for money.
Tickets are £81 inclusive of VAT and further details can be obtained from Robert Stevens (Management Services) Ltd., Aldwych House, Aldwych London WC2B 4EL. 01-242 2702/3

هكذا من الأصل

GLASS GLASS GLASS

For years we have been importing and exporting special-glass products from the comecon countries and enjoy excellent relations with them (Poland, Soviet Union, East Germany, etc.).
We can supply the following at favourable prices and terms:
MICRO GLASS FIBRES, FOAMED GLASS IN SLABS (CELLULAR GLASS), GLASS POWDER, GLASS PELLETS, GLASS RODS, GLASS BEADS, GLASS FIBRE WEBS, GLASS FIBRE TISSUES and a lot more.
We have an active interest in all enquiries and reply to them immediately. You can write to us in English, French, Spanish, Swedish, Russian or German.

W.K. Bohlmann, P.O. Box 70 02 05, 2820 Bremen 70 W, Germany
Telephone: 0421-66 10 82, 0421-66 10 83 Telex: 2 44 268 d, 2 44 202 d

CAPITAL GAINS TAX
CAPITAL TRANSFER TAX

Arrangements approved by leading Tax Counsel can be made to enable an individual to mitigate CCT and CTT on disposals of shares in close companies or other assets.

Principals only write in first instance to:
Managing Director
PANORAMA SECURITIES LIMITED,
18 Manor Farm Road,
Bitterne Park, Southampton.

BUSINESSES FOR SALE

POLYTHENE BAGS, FILM & PRINTERS MANUFACTURER

Turnover over £1,250,000.00. High profit. Modern leasehold factory and plant in the South of England, 18,000 sq. ft. with large car park. Turnover should increase to over £2,000,000.00 within 12 months, with same plant, raw material no problem. Genuine reasons for sale. Principals only need apply.

Write Box G.3952, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE
AS A GOING CONCERN

Television Rental, Hi-Fi and Domestic Electrical Retail Business, primarily located in East London and with West and Northwest London premises.
Established over 30 years.
Turnover for 1978 in excess of £1.5m.

Apply in writing to
BAIRSTOW EVES, 218/226 BISHOPSGATE, EC2M 4QD
Telephone: 01-377 0137

RETAIL BUSINESS IN SURREY
SPECIALISING IN WALLCOVERINGS AND PAINT

YEAR LEASE AT LOW RENTAL, EXCELLENT PROFITS. TO INCLUDE STOCK. £100,000 OR NEAR OFFER.
Write Box G3981, Financial Times, 10 Cannon St., EC4P 4BY

PRINTERS

l jobbing printers for sale ı rural Surrey. Turnover .000 and trading profitably.
ıdern premises for sale or . Price, excluding premises
£50,000
e Box G4023, Financial Times Cannon Street, EC4P 4BY

RIBBLE VALLEY—LANCASHIRE
FOR SALE
ASEHOLD INTEREST IN WELL KNOWN COACHING INN N MARKET TOWN CENTRE. urnover of £100,000 p.a. and increasing
us accommodation of character ng LOUNGE & BAR Areas for 150, Two DINING ROOMS, IDOM & COCKTAIL BAR, well-ud KITCHEN and ancillary Private Residential Suite and ll Bedrooms, etc. Substantial ting trade and Music and n Licence. Busy bar trade and catering Well furnished through-Twenty years Lease from Novem-175 at £8,000 p.a. with revision 10. Price including all tenants e and Fittings — £45,000 plus

etails From:
ORTIMER, GORSE & ROSS
& Estate Agents, Auctioneers, Valuers & Surveyors
68 King William Street,
BLACKBURN.
Blackburn (0254) 662323/7

'LANT HIRE COMPANY

'ished Plant Hire company ed SW London for disposal. ıble with yard. Will only ler principals.

Write Box G.3998, Financial Times, Connon Street, EC4P 4BY.

FOR SALE
OSPITAL EQUIPMENT (BRITISH MADE)

ol 61 INTENSIVE CARE BEDS 18 WATER BEDS for sale. ıtily as job lots. All brand ıquipment. Sale due to over ıtion. Excellent buy.
Box G.3982, Financial Times, Cannon Street, EC4P 4BY

MARKET SECRETARIAL 4PLOYMENT AGENCY
FOR SALE
LONDON W.1. AREA

Principals Only
Box G.3984, Financial Times, Cannon Street, EC4P 4BY

'AX LOSS COMPANY
FOR SALE

ıding registered leisure com-name, excellent reputation in equipment. 700 established customers. Audited tax loss of ?
Box G4016, Financial Times Cannon Street EC4P 4BY

XI BUSINESS

s for Company with small ıet and large tax losses.
ır further details apply: G.3993, Financial Times, Connon Street, EC4P 4BY.

OPERATIONAL TRAINING SCHOOL

leet of single and twin aircraft, d on well equipped airport, close ular sea resort in S.W. Company cs include Lounge with licensed eception operations, classroom and workshop. Very ideal n with no opposition for fixed or helicopter A.O.C operation. ıals with serious interest please to Mr K. Williams, Box G.3992, ıal Times, 10, Cannon Street, 4BY

TECHNICAL
ecruitment Consultancy For Sale
Central London
£40,000
Principals only need apply
Box G.3996, Financial Times, Cannon Street, EC4P 4BY.

TELFORD, SALOP

Situated within Telford New Town
purpose built freehold

CLUB PREMISES

Concert Hall bar, Lounge bar, Committee Room, W.C.'s, 3-bedroomed Steward's flat, car park, bowling green, sports field, the whole totalling 5.6 acres approx.

Further details from the agents.

WITT & CHAMBERLAINE BROTHERS
28 St. John's Hill, Shrewsbury, Salop SY1 1JJ
Tel: (0743) 50541 & 50777

ENGINEERING COMPANY
For Sale as a Going Concern

Large group wishes to dispose of small engineering company primarily engaged in the fabrication of structural steelwork and lifting equipment. Turnover is in excess of £400,000 with current order book £150/200,000.

Leasehold premises C. 28,000 sq. ft on secure long lease. Established work force. Location North West.

For full details write Box G.3971, Financial Times, 10 Cannon Street, EC4P 4BY.

CHRISTIE & CO
RETAIL FUR COAT BUSINESS

Operating from 3 locations in S. Spain selling direct to the public.
T/O £500,000 p.a. (approx.) N.P. in excess of £160,000 p.a. PRICE £560,000 backed by substantial assets.

Apply: 32 Baker Street, London W1M 2BU.
Tel: 01-486 4231

LONDON LEEDS EDINBURGH CANTERBURY WINCHESTER IPSWICH CHELTENHAM CARMARTHEN EXETER TRURO

LIGHT ENGINEERING

This well equipped light engineering company with a turnover of C£750,000 pa. manufacturers a very good range of high quality products. The present owners are willing to negotiate either an outright sale or find a suitable partner who will invest £50/100,000 to enable the full profit potential of the business to be realised.

Write Box G4022, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE
TECHNICAL STAFF EMPLOYMENT AGENCY

Established over 16 years, enjoying a good share of the market in all aspects of engineering. Located in East London, turnover approx. £1m per annum. All accounts available.
Please write in first instance to. Box G4024, Financial Times. 10 Cannon Street EC4P 4BY

EAST MIDLANDS CAR SHOWROOMS
LEADING FRANCHISE

Main road position, old established, extra large turnover both new and used. Purpose built large modern showrooms, Buildings, stock, equipment, stores, goodwill. Circa £500,000.

Write Box G.3991, Financial Times. 10 Cannon Street, EC4P 4BY

FOR SALE

Small pump company for sale with agency for a comprehensive range of submersible and self priming chemical, sewage and sludge pumps, manufactured in West Germany. Excellent opportunity for a company which wishes to supplement its existing range.

Write Box G.3973 Financial Times. 10, Cannon Street, EC4P 4BY.

GAMBLING CASINO

Due to illness, controlling interest in a prominent casino located on the continent in one of the finest resort areas is available for sale. Excellent management can be retained. Buyer must be from Common Market area and possess impeccable references. Sales price approximately 5 million U.S. dollars.

Write in confidence to
Box F.1117, Financial Times, 10, Cannon Street EC4P 4BY.

RESIDENTIAL HOME. Rep. 17. W London. Complete in every respect. Plus owners two bdm. suite. Income £1,000 per week. Price £89,500 Freehold. Write Box G.4011, Financial Times, 10, Cannon Street, EC4P 4BY.

FLOORING CONTRACTORS. North London, good contacts. Write Box G.4000, Financial Times, 10, Cannon Street EC4P 4BY.

CHANDELIERS, ETC. Wholesale Business for sale. T/O app. £150,000. Nett profit £35,000. Write Box G.4021. Financial Times. 10 Cannon Street, EC4P 4BY

HOTEL AND LICENSED PREMISES

ORLANDO FLORIDA

Distressed 110 unit hotel in downtown area near Disneyworld. Facilities include nightclub, restaurant, lobby bar, shops, inc. Ideal for tour groups.

Respond to: Stuart Edinoff,
Bailey & Casey, Inc.,
1220 First Federal Building,
Miami, Florida 33131.

BOURNEMOUTH

33-bedroom hotel, excellent trading record. Planning approval to increase to 40 bedrooms. Close to sea and shops. Extremely large public rooms. Fire certificate. Licensed. Large car park. Owners flat. Furnished and well equipped.

FREEHOLD—£255,000.00
Write Box G.3986, Financial Times, 10, Cannon Street, EC4P 4BY

HOTEL—HYDE PARK, SW7. 129 rooms, newly modernised and refurbished. Freehold price £2m. Davis and Co., 01-637 1061.

PRIVATE HOTEL, BUDE. Residential Licence & Restnt. Owner's Cottage Style Accdm. Complete at £55,000 Freehold. 2544H2. Write Box G.4010. Financial Times, 10, Cannon Street. EC4P 4BY.

BUSINESSES WANTED

WANTED
GIFT-WARE COMPANY

Company operating in the gift-ware distribution market, preferably with overseas activity and good quality agency connections. China/Porcelain manufacturing facilities would also be an advantage as personnel continuity could be arranged. Potteries area preferred.

Principals only please write with fullest particulars to:
Box G.3953, Financial Times
10, Cannon Street, EC4P 4BY

WANTED
MARINE FISH FARM

U.K. Company wishes to buy a going marine fish farming business in Scotland or Ireland. Write to Box No. G3941 Financial Times, 10 Cannon Street, London, EC4P 4BY.

WANTED
Department Store Group

Progressive Group with funds available wishes to acquire small department store group with good management and annual turnover in the region of £2 million to £7 million.

Locations must be attractive with good future growth potential. Individual department stores with expanding turnover would also be acceptable.

Write Box G.4015, Financial Times, 10, Cannon Street, EC4P 4BY.

INVESTMENT OPPORTUNITIES WANTED

Public company wishes to acquire established businesses with potential providing industrial and or commercial services and currently earning pre-tax profits exceeding £30,000 p.a. Outright purchase or controlling stake. Existing management to remain if wished. Preferred location South West Wales or Within 100 miles of Cardiff.

Write Box G.3958 Financial Times 10 Cannon Street EC4P 4BY

ESTABLISHED ADVERTISING AGENCY

Seeks to acquire existing medium sized London or Provincial advertising agency. All enquiries handled in the strictest confidence.

Write Box G.3999, Financial Times, 10, Cannon Street, EC4P 4BY

OVERSEAS INVESTOR

wishes to purchase a majority interest in existing company in London area up to £100,000 available. Existing management could be retained. Any type of business considered.

Please reply with details to: Box G 3990 Financial Times 10 Cannon Street, EC4P 4BY

WANTED:
STEEL FABRICATION COMPANY

We are seeking to buy a Steel Fabrication Company set up for lattice beams with a current production of 1,500 tonnes p.a. and capacity for 2,500 tonnes p.a. Location between London and Birmingham. A joint venture would also be considered.

Write box G.3989 Financial Times, 10, Cannon Street EC4P 4BY

REFRIGERATION COMPANIES REQUIRED

We are interested in purchasing on a going concern basis
Preferable location North of England or Midlands. All enquiries dealt with in strictest confidence.
Write Box G.3442, Financial Times, 10, Cannon Street EC4P 4BY

CHARTERED ACCOUNTANT

Wishes to acquire and participate full time in retail food or service business with high turnover. Location preferable central London.
Write Box G.3985, Financial Times, 10, Cannon Street EC4P 4BY.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Equity investments of about £50,000 to £2,000,000 in privately-owned companies

Midland Bank Industrial Equity Holdings Limited Group of companies
can provide or arrange minority and flexible equity investments in suitable cases.

Investment funds are available for:-

* Development capital
* C.T.T. payment or planning
* Venture capital, including start-ups
* Shareholders wishing to retire
* Shareholders wishing to establish family trusts or who require funds for other purposes

For full details and brochures please contact:
Midland Montagu Industrial Finance Limited,
Scottish Life House, 36 Poultry, London EC2R 8HD.
Telephone: 01-638 8861

Midland Bank Group

CARPETS

Medium sized company with large stores and extensive furniture associations is looking for a complimentary carpet retailer to join forces for the promotion and expansion of a joint furniture/carpet retailing operation throughout the United Kingdom.
Some units available, future units being examined.

Reply to Chairman/Managing Director
Write Box G4013, Financial Times,
10, Cannon Street, EC4P 4BY

STORAGE/WAREHOUSING
(covered and open, free and bonded)

Germany	Wuppertal, Emmerich
Holland	Amsterdam, 'S-Heerenberg
U.K.	Manchester, Northampton, Sittingbourne/Kent

Regular continental groupage service v.v. - Loads & Part Loads

Call:
FERRY SERVICES WM. BOSMAN LTD.
NORTHAMPTON
409 HARLESTONE ROAD, HOPPING HILL, NORTHAMPTON
TEL: 0604 56833 - TELEX: 31629

"GO-AHEAD" PARTNER

required by dynamic couple with energy and experience for exciting new Country Club project in Eire. Ideal estate already acquired and enterprise under way. Perfect opportunity for both income and Capital Appreciation. Complete security offered in return for Working Capital. *For details ring.*

01-788 3146

ACQUISITION MONEY NEEDED
32 MILLION DOLLARS

to acquire one of the oldest financial institutions in mid-western USA
First National Mortgage Co., Inc.
5200 Washington Avenue
Evansville, IN 47715
812/473-0161

Ex M/D

late 40s, experienced in financial control, manufacture, selection & marketing of new products — available for new assignment (part time considered).

Write Box G4019, Financial Times 10 Cannon Street, EC4P 4BY

Well-known manufacturer of TRANSPORT EQUIPMENT

is looking for a competent business partner (distributor) for sales in Great Britain. Co-operation for the purpose of extending our sales programme by suitable articles will also be appreciated. Please contact FAGRO Press-und Stanzwerk GmbH, August-Bebel-Strasse TG 6050 Gross-Gerau, Telefon 06152/7845.

A UNIQUE OPPORTUNITY

is offered to two young semi professional Super 8/16 mm filmakers to join an aggressive established company marketing industrial and commercial film productions. On the basis of existing and future business being given to them on a contractual basis in exchange for financing a new company.
Write Box G.4016, Financial Times, 10, Cannon Street, EC4P 4BY.

BULK CARGO
IMPORTS/EXPORTS

in lots of up to about 3000 tons handled efficiently and economically at a well placed Merseyside wharf

STANWAY SERVICES LTD.,
370 Sefton House, Liverpool L2 3RS
Telephone. 051-236 2466

CONFIRMING SERVICES

Required up to £1m for shipment of non-UK origin goods to 3 government companies in Zambia.

Principals and Bankers only please reply to:
Box G.4014, Financial Times, 10, Cannon Street, EC4P 4BY.

TWO DIRECTORS

one with financial & marketing experience; one with machinery design & manufacturing experience — available for new assignments.
(part time considered)
Write Box G4020, Financial Times 10 Cannon Street, EC4P 4BY

COMPANY IMPORTING AND EXPORTING INTO
AUSTRALIA

Contact:
BELLEVUE FREEHOLDS PTY. LIMITED
114 Essilia St., Collaroy Plateau
Sydney, NSW. Australia 2098

Business and Investment Opportunities Businesses For Sale/Wanted

Every Tuesday and Thursday

Minimum 3 centimetres. For further information contact:
Francis Phillips, Financial Times,
10 Cannon Street, EC4P 4BY.
Telex : 885033.
01-248 4782 & 01-248 5161

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

STAINLESS STEEL FABRICATION

Our client, ALLIED ENGINEERING COMPANY LIMITED, is one of the top suppliers in this country of this highly-specialised material—supplying industry both at home and abroad (for example they are currently erecting balustrades in the Middle East.

Machining, welding, forming, tube-bending, polishing, fabricating and assembling—are all part of ALLIED'S excellent, competitive and comprehensive facilities. Naturally, ALLIED are very quality-control conscious. By the way, they also process all other conventional materials.

For further details and brochure contact sales representatives
PETER J. GARRINI & ASSOCIATES LIMITED
130a Burnt Oak Broadway, Edgware, Middlesex
Tel: 01-952 6626 - Telex: 923598

RETIRED AT THE TOP

City firm engaged in financial management and tax planning require
TOP-LEVEL NEGOTIATOR
to assist in servicing many high-value and confidential projects. Applicants must be of impeccable background with a wide and sound business experience, not necessarily in this field. Interesting full- or part-time involvement with investment of £16,000 and profit-sharing.
Write Box G.3788, Financial Times, 10, Cannon Street, EC4P 4BY.

Sales Leads

For your unique introduction to all new companies formed contact: David Parsons on 0222-371901

Jordans
44 Whitchurch Road Cardiff

DUKE STREET BROKERS LTD

Model Railway Control Manufacturers (S. W. Midlands) Small Co but trading 15 years. About £5,000 is now needed for expansion—equity and involvement offered.
Well Known Sports Magazine (London) Estd. 1972. Present circulation 40,000. The need to expand and re-finance some earlier management errors requires about £25,000. (Substantial equity and the involvement of an experienced businessman would be welcomed).
Professional Engineering Practice (Essex) G.F. 1978 E. £30,000. Founded in 1973 the firm expanded rapidly but is now experiencing problems. In addition to funds of about £10,000 the involvement of mechanical services engineer (full- or part-time) would be welcomed.
DUKE STREET BROKERS LTD.,
57 Duke Street
London W1M 5DH.
01-408 2111/629 2531

PLANT & MACHINERY SALES

Description	Telephone
ROLLING MILLS	
20in x 30in x 350 hp Two High Reversing Mill.	
5in x 12in x 10in wide variable speed Four High Mill.	
3.5in x 8in x 9in wide variable speed Four High Mill.	
10in x 16in wide fixed speed Two High Mill.	
10in x 12in wide fixed speed Two High Mill.	
16in x 16in wide fixed speed Two High Mill.	0902 42541/2/3
6in x 16in x 20in wide Four High Mill.	Telex 336414
CUT/LENGTH LINE 1000 mm x 2 mm.	0902 42541/2/3 Telex 336414
CUT/LENGTH LINE 750 mm x 3 mm.	0902 42541/2/3 Telex 336414
NARROW STRIP ROLLING MILL, two stand, rwf.	0902 42541/2/3 Telex 336414
SLITTING LINE 920 mm x 10 ton coil by Cam.	0902 42541/2/3 Telex 336414
SLITTING LINE 300 mm x 1 ton coil by Cam.	0902 42541/2/3 Telex 336414
350 hp **REVERSING MILL,** 20" x 30" rolls, Farmer Norton.	0902 42541/2/3 Telex 336414
PLATE SHEAR 4ft x 1in CINCINNATI.	0902 42541/2/3 Telex 336414
GUILLOTINE 8ft x 0.125in PEARSON.	0902 42541/2/3 Telex 336414
No. 1 **FICEP SCRAP SHEAR,** 75 x 34 mm bar.	0902 42541/2/3 Telex 336414
SHEET LEVELLING ROLLS, 920, 1150 and 1850 mm.	0902 42541/2/3 Telex 336414
HYDRAULIC SCRAP BALING PRESS Fielding & Platt.	0902 42541/2/3 Telex 336414
FORGING HAMMER, 3 cwt. slide type Massey.	0902 42541/2/3 Telex 336414
VACUUM FURNACE 100 kw. Herdiekerhoff.	0902 42541/2/3 Telex 336414
AUTOMATED COLDSAW, non ferrous, Noble & Lund.	0902 42541/2/3 Telex 336414
WIRE DRAWING MACHINE 8 BLOCK (16"). Arboga.	0902 42541/2/3 Telex 336414
WIRE DRAWING MACHINE 6 BLOCK (22"). Marshall Richards.	0902 42541/2/3 Telex 336414
ROD DRAWING MACHINE 9 DIE. Barcro.	0902 42541/2/3 Telex 336414
DRAWBENCH, 15 ton pull x 40ft draw. Platt.	0902 42541/2/3 Telex 336414
HORIZONTAL DRAW BLOCK 36in. Farmer Norton.	0902 42541/2/3 Telex 336414
BAR & TUBE REELING MACHINE (2"). Platt.	0902 42541/2/3 Telex 336414
WIRE DRAWING MACHINE 9 DIE cone type. Unity.	0902 42541/2/3 Telex 336414
WIRE DRAWING MACHINE 15 DIE cone type. Marshall Richards.	0902 42541/2/3 Telex 336414
ROTARY SWAGING MACHINE, Marshall Richards.	0902 42541/2/3 Telex 336414
SURFACE MILLING LINE, 16" non-ferrous strip.	0902 42541/2/3 Telex 336414
McKAY 8' SHEET METAL PROCESSOR.	01-928 3131
UPSET FORGINIG MACHINE 4in dia. 750 ton.	01-928 3131
WICKMAN 1¾ 6SP AUTOMATIC. Reconditioned.	01-928 3131
WICKMAN 2¼in 6SP AUTOMATIC. Reconditioned.	01-928 3131
WICKMAN 2⅝in 6SP AUTOMATIC. Reconditioned.	01-928 3131
CINCINNATI CENTRELESS GRINDER. Excellent.	01-928 3131
1500 TON CLEARING D A PRESS Bed 180" x 96".	01-928 3131
200 TON VICKERS CLEARING PRESS. Bed 36in x 40in Air Clutch & Brakes as new.	01-928 3131
200 TON SCHULER HIGH SPEED PRESS. 200 spm.	01-928 3131
LUMSDEN GRINDER 84" x 24" magnetic chuck.	01-928 3131
HEID COPY LATHE 36" dia. x 50". Reconditioned	01-928 3131
FISCHER COPY LATHE TYPE 18/150.	01-928 3131
WIEDMANN TURRET PRESS TYPE BRA/41 as new.	01-928 3131
NATIONAL COLD HEADERS ½" x ⅝" dia. recon.	01-928 3131
200 TON DEEP DRAWING PRESS.	01-928 3131
BARBER & COLMAN 16-16 HOBBER. as new.	01-928 3131
BRITISH CLEARING HYD: PRESS, 125 tons single action or 90/35 double action. Stroke 60 Ins. Blankholder stroke 42 Ins. In almost new condition.	01-928 3131 Telex 261771
USED CRANES AND TRAILERS.	(0705) 475438 Telex 86709

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
Telephone: 01-248 8000
Thursday June 14 1979

Looking over the hill

THE INITIAL reaction to the Budget shows a mixture of realism and short-sightedness. The Government has chosen to *confront our problems* with a monetary target which is several points below the expected rate of inflation, and at a time when corporate liquidity is already under pressure. This threatens a squeeze in the short term far more painful to industry than for some time past. If there is a shopfloor following for the militant initial reaction from the TUC, there could be a fair amount of disruption as well as pressure on margins. Cost pressures are colliding *with the market.*

This possibly forbidding outlook has aroused second thoughts among some of the Government's supporters, in the City as well as outside. They argue that a squeeze on its own might have stood a better chance than a squeeze combined with a structural change in taxes which was bound to provoke *egalitarians.* We would still urge that the Government was right to take the risk. The doctrine of unripe time, and all the other arguments for procrastination, invariably look persuasive: thus over the years public spending is never effectively cut, a tax structure which Mr. Healey himself privately regarded as absurd *survives, and the country's* financial defences point, like the guns of Singapore, towards the past.

Whole-hog approach

If the problems are to be tackled at all, there is one very strong argument for a whole-hog approach: the adjustment, though painful, is largely complete. This means that after a turbulent winter, the outlook could be very different. The full-year effects of the tax changes and expenditure cuts already made will achieve a further large reduction in the borrowing requirement without the need for further unpopular action.

The new level of VAT will continue to supplement the revenue without any further shock to prices. This could provide a favourable setting for resumed growth, provided that hard experience has taught the meaning of life under real monetary constraint.

This involves not only a change in attitudes, but a change in the balance of industrial power. Years in which militancy has consistently won money gains have trained people to respond to a militant lead: they are more concerned with their relative position in the heap than with the total of real output available to provide *real incomes. Breaking this* psychology—which has in fact been done in some enterprises —means bringing home the realities of risk and reward, which apply in the long run as much to employees as to their *employers.*

The current combination of cost pressures, credit restrictions and a high value for sterling will make the risks very obvious in concerns fully exposed to foreign competition.

Elsewhere it could be a more brutal matter of resisting and defeating militancy. That is the unpleasant prospect for the *near term.*

More expansive

However, in one respect the Chancellor himself has run a risk: the balance between fiscal and monetary restraint has for *the moment* resulted in a level of interest rates, and a consequent level for sterling, which will put pressure on even the *best-run and most productive* enterprises. As we have frequently argued, crowding out in the credit markets is damaging to the real economy; a bigger fiscal contribution to monetary control is actually *more expansive.*

It is too early to form a clear judgment of the balance which Sir Geoffrey has struck. The gilts market, trying perhaps to look over the fiscal hill, initially rebounded quite vigorously yesterday after the first markdown. It may indeed prove that the high private demand for credit is a passing phase, reflecting *the brief pre-Budget boom,* and that balance will soon be restored. Adequate funding and a quick reversal of interest rates would be the proof of the balance chosen.

Reduce pressures

However, the upward pressure on sterling which has *immediately resulted will itself,* if sustained, compress margins and drive companies into heavier borrowing; and here there may be a case for a bolder attack on exchange controls than that outlined on Tuesday. In particular, there seems little case for restricting the finance of third-country trade to merchants; it is banks which could *readily mobilise the sums which* would reduce pressures, balance inflows and indeed assist monetary control.

The Chancellor cannot expect, after a bold change of course through stormy water, to plough on with no change of trim. The coming months will be a challenge to alert financial management.

A testing time for Turkey

THERE HAS been many a slip between the cup of the International Monetary Fund and the lip of Turkey. But finally yesterday, *the IMF announced that* the long-elusive agreement between the two had finally been declared. The 43 per cent devaluation of the Turkish lira on Monday had ended the differences on exchange rate policy.

Achilles heel

The World Bank is expected to make a credit of $150m *available to Turkey, while a further* $1.8bn of aid and loans will be unlocked by an agreement between Turkey and the IMF: of this $900m was pledged by OECD members two weeks ago and $400m is expected from a group of Western banks. But the question remains whether this "emergency aid" and other funds will arrive in time to save the Government of Mr. Bulent Ecevit.

Economics was always his Achilles heel, and he inherited *a full-blown economic* crisis. Neither he nor his ministers came to full grips with the problems involved or acted boldly in the early months when their goodwill was high. Instead in their 17 months in office they have fallen at odds with almost all the groups that had voted for them in the 1977 elections. Trades unionists have seen some *of their leaders arrested* and promises to extend union rights not kept. Civil servants have seen their wages and savings eroded by inflation. Industrialists have seen the government unable to bring social peace or *ensure the supplies of raw* materials necessary for their factories: many are openly transferring their allegiances to the right-wing parties which allowed the economic crisis to develop.

The farmers and peasants have seen their purchasing power reduced, while fuel shortages mean that long-discarded scythes are having to be sharpened for the harvest. Inflation exceeds 60 per cent, unemployment is over 20 per cent and factory usage was down 20 per cent in the year to last September—and has since fallen further. Yet in many ways *Turkey has soldiered on. This* fact is often presented as showing the strength of Turkey's institutions.

But the weakness of the institutions involved in running the *economy was glaringly apparent* during the government's attempts to tackle the economic crisis. It is one of the reasons why the West, to Turkey's distaste, is seeking to involve itself in the country's planning. Further there is the question of whether either of the two main parties can provide the management which the Turkish *economy needs. The opposition* leader, Mr. Suleyman Demirel, has made it clear that whatever Mr. Ecevit does he will oppose.

Delays

It is a dangerous situation. So *far the army has made it clear* that it does not want a repeat of its involvement in politics in the martial law period of 1971-73 —though some commanders, particularly in Istanbul, have ben pushing for a harder line recently. The main apparent gainer is the Nationalist Action Party, a militant rightist party, a number of whose supporters *have been found guilty of* murdering their opponents. This has not yet won strong support outside the provinces of Central Anatolia. It is not in a position to seize power, though Mr. Demirel makes it clear he would *be prepared to form a fresh* coalition with the NAP.

Some Turkish businessmen and Western embassies would like to see a coalition of Mr. Ecevit and Mr. Demirel. This is hard to foresee and Turkey's *best hopes seem to lie in the* continuation in power of Mr. Ecevit. But it is uncertain whether any agrement with the IMF and international aid will some in time for him to consolidate his hold on power.

In part the West *has been* slow in waking up to the full dimensions of Turkey's crisis. In part the delays are Mr. Ecevit's own fault. But now he only has a short time to prove that he has more than words to offer to solve Turkey's problems —a proof which is sorely necessary both to prevent a further erosion of his strength in *parliament and of parliament's* in the country.

ECONOMIC VIEWPOINT

The reasons why I do not like the Budget

THERE ARE three group reasons why I don't like the Budget concerned with philosophy, tactics and economic strategy. But it might be simpler to start with one objective of Mrs. Thatcher's which I regard as abundantly justified: to achieve a reduction in the rate of *inflation without resort* to pay and prices controls or the more insidious temptation of wage guidelines, norms and the like.

The mere fact that wage controls do not have more than *a temporary and self-reversing* effect on inflation and cause untold damage in other spheres of policy will not prevent them *from being used. The political,* institutional, Whitehall, media and other pressures to take this course are enormous. A realisation that such controls are ultimately futile or damaging will not prevent a Government embarking on them if it finds itself with a wage explosion on its hands, and is desperately looking for quick relief.

The best way of avoiding the combination of runaway inflation ineffectively and temporarily dammed by wage controls is for the Government to do its level best not to get into this familiar dilemma in *the first place.* The successful avoidance of the familiar wages crunch would be such an important — and by British *standards difficult and unique*—achievement, that it deserves the single-minded pursuit of the whole Government machine.

But the present Government had another objective of greater *initial* political sex appeal: the immediate reduction by hook or by crook of the basic rate of Income Tax. The fact that I do not share this particular *Tory shibboleth is not the point* at issue—a much more basic, long-term approach to tax reduction will be outlined later *in this article.*

The immediate point is that it is not always possible to pursue all objectives simultaneously. Ministers think they are giving equal stress to all objectives. But in practice the *income tax objective has been* given priority both over counter-inflation and the avoidance of an autumn or winter wage freeze.

We have, of course, been here before. Mr. Brendon Sewell, a former head of the Conservative Research Department and then adviser to Lord Barber, has explained how he tried and *failed to persuade the incoming* Heath Administration to downgrade its other objectives in favour of counter-inflation, when he saw how rapidly inflation was taking off.

Plus ça change. If inflation had been running at 8½ per cent as it appeared to be in 1978, there might have been little harm in trying a shift from Income Tax to VAT and explaining that the indirect price rise was once-for-all. It might then have been possible, in the National Institute's words, to "educate" wage bargainers out of the illusion of looking at prices instead of net post-tax pay. But the world has changed radically. The likely 1979 rate of inflation was in any case at least 12 per cent. About half of this acceleration reflects higher world inflation—not only oil prices—and about half the fact that last year's 8 per cent inflation figure was a deceptive one, due to temporary factors—such as a much faster rise of wages than prices and a fall in real commodity prices—which could not have been expected to continue.

Changes in the inflation rate are as important as the rate itself. With the recorded rate of price increases moving up from 8 to 12 per cent, the prime task of economic statesmanship should have been to convince unions, employers, investors, foreign exchange dealers and the rest of us that this was not the beginning of a new acceleration towards the 20 per cent plus rates of the 1970s. Measures which are expected to raise the year-to-year price *increase to 16 per cent if* we are lucky—are not calculated to achieve this result. A great deal of this change in the inflation outlook took place over the election period after the present economic Ministers had already received their marching orders.

The point at issue is not whether VAT should have gone up to 15 per cent or slightly less. *If I had been in Whitehall* and had failed to get the strategy changed, I should have supported the 15 per cent rate *on the grounds* that one might as well be hung for a sheep as for a large lamb. The point is that it is the wrong sheep.

The shift to VAT has had another unfortunate effect—perhaps as important as that on the *inflation prospects.* Sir Geoffrey Howe began his Budget speech with some crisp words on the need to shift from managing demand to improving the supply side of the economy, words which would have been extremely impressive if we had not heard them at the start of each new Administration since 1965, if not earlier.

Unfortunately his actual measures to improve supply hardly went beyond the long-overdue reduction to 60 per cent of the top rate of tax earned income with corresponding adjustments lower down. This was about the least that a newly-installed Conservative Chancellor with a resounding majority could have done, on *an issue where political pressures* and prejudices for once pointed in the same direction as the national interest. Many Labour Chancellors would have done the same if they dared.

But the major and specific change on the *supply side,* which the Government should have taken, was to raise all energy prices to the oil equivalent price level. The essence of a market economy is the use of the price mechanism—that is, changes in *relative* prices —to discourage the consumption of resources which have become scarce and to encourage the use of such resources where their social return is highest.

THE BUDGET IN A NUTSHELL

Effects on Public Sector Borrowing Requirement

	£bn 1979/80	Full year
Pension and Social Security increase	0*	0*
Cut in Public Spending Programmes†	+1.5	n.a.
Cash limit curbs†	+1	n.a.
Reduced Contingency Reserve†	+0.25	n.a.
Conversion to current prices and other adjustments	+0.25	n.a.
Assets Sales	+1	n.a.
Total Expenditure effect	+4.0	n.a.
Indexation of the personal allowances ("Rooker Wise")	−0.9	−1.0
Further rise in allowances	−0.6	−0.8
3 per cent Basic Rate reduction	−1.3	−1.4
Higher rates: Rise in starting point and thresholds, reduction in rates‡	−0.5	−0.9
Rise in Investment Income threshold	—	−0.2
Miscellaneous	−0.3	—
Total Inland Revenue Change	−3.6	−4.3
Unification of VAT at 15 per cent	+2.0	+4.2
Increase in Oil Duties	+0.4	+0.5
Total Customs and Excise change	+2.4	+4.7
Grand Total	+2.8	n.a.

* Actual cost on non-indexed basis is £1.1bn in 1979/80 and £2.7bn in full year. To be covered by social security contributions and the contingency reserve.

† At "1979" Survey Prices.

‡ Partly non-announced indexation.

n.a. means "not available."

N.B.—Gains to the "Exchequer" are shown as positive, costs are negative.

Owing to the non-publication of expenditure changes on a comparable basis to revenue ones, the former have had to be extracted on the approximate basis from the Chancellor's speech.

Connie Cockren
SIR DOUGLAS WASS
Permanent Secretary at the Treasury

Roger Taylor
SIR GEOFFREY HOWE

In the case of energy this requires not merely that British consumers should pay *the world market price of oil* but also equivalent prices for other fuels. One step towards this would have been something like an "energy equalisation surcharge" on gas prices. Instead we had the economically notorious statement that the fuel industries had been "asked to avoid as far as possible increases in *fuel charges beyond those* required to meet the cash limits announced by the previous Government." Hard on its heels came the announcement of no price increase for domestic gas—in all of which the Prime Minister is said to have played a personal part.

One can understand her desire to avoid still further *increases in the RPI.* But the dilemma arose from sticking to the planned Income Tax-VAT switch in place of more important measures made necessary by world changes. The whole episode is an object lesson in the distinction between the social market economy and Conservative partisan preferences. This is a distinction which was obscured when Labour was in office under Mr. Callaghan, who denounced market forces without giving us the faintest idea of what he would put in their place, but giving the wrong impression that anyone who favoured using them was "extreme Right-wing."

But to come back tot he inflation issue: If a risk is being taken with the RPI and there *are no wage guidelines, it is all* the more important to make sure that the monetary and fiscal limits are unmistakable and firm. Ministers believe that they stood up against very strong pressures to relax them. If so, this says something about the attitudes of the Treasury, th eCBI and the economic establishment organ who presumably *apply the pressure.*

The actual PSBR and money supply targets are almost exactly those of Mr. Healey. (The slight reduction in the monetary target for June to April, 1980, is offset by the overshoot in April and May this year.) It is hypothetical to argue whether Mr. Healey would have stuck to his guns with the IMF receding into the *distance* and new Treasury figures increasing the cost—political and fiscal—of so doing. The point is that some reinforcement was needed.

It may be said that with so much inflation already in the *pipeline* the squeeze on the real money supply is extremely severe. A genuine problem does arise when there is a supposedly *once-for-all increase in prices.* Does one "accommodate" what has occurred at the risk of destroying credibility for all futuer declarations. Or does one risk putting an excessive squeeze on output, investment and employment?

The problem is insoluble so long as monetary targets are set on a short-term basis and then rolled over. The key to how far a monetary slowdown reduces inflation, and how far it merely produces a slump, is price expectations. The best chance of influencing these favourably is to have a medium-term plan for *a phased reduction in monetary* growth. It is not a question of working out in the first few weeks of office a scientific plan which can never be adjusted. There is precious little science about the whole exercise.

Mr. Healey took the first step in publishing short-term monetary targets over the dead bodies of half his advisers. It is *up to Sir Geoffrey to take the* second step with longer-term ones—the more he waits the more he will be put off with obfuscating detail. For those who are interested in political economy rather than partisan issues this is the present battlefield—just as it was once floating exchange rates and may be so again.

There has been little time so far to study the detail of the public expenditure changes. Perhaps it really was too late for more than a tougher interpretation of the Joel Barnett formula on cash limits, instead of realistic ones not based on an adjusted 5 per cent wage norm.

But a longer-term approach, *even if it had not surfaced until* next year, would have shown how to cut taxes genuinely, not merely switch them, and to do so in a socially acceptable way. The two areas where the state is providing massive subsidies without evidence of solid benefit—and much of economic waste—are "aid to industry" and housing." It is notable *that the supposedly "extreme"* Sir Keith Joseph has put his foot down most firmly against quick symbolic economies in favour of longer-term phasing out of misdirected expenditure.

The other area where even *more public expenditure is ever* more clearly misdirected is in housing. The Heseltine cuts do not touch the £1.5bn per annum *of council rent subsidies* (properly calculated, they are more) and clip only a bit off the £2bn spent on local authority home building and improvement. But it would be quite unacceptable simply to phase out local *authority subsidies while dis*guised public expenditure in the form of £2bn of tax reliefs on mortgage interest, insurance premiums and the like are paid out.

There is a consensus extending from Milton Friedman to Frank Field in favour of lower tax rates with fewer exemptions and special privileges—even *though I would not expect the* two to agree on the details of the tax progression. The key to genuine tax cuts is to phase out the whole bloc of local authority, Building Society, pension fund and associated special subsidies and reliefs.

The fact is that without any switch to VAT we already have a tax system which effectively *exempts savings—but on an* arbitary set of assets, plant and equipment for companies and housing and pensions for individuals. With the end of all these privileges, there would be a genuine case — lacking at present—for a switch to expenditure taxes; and the savings would be there to do this by cutting income and corporation tax *rather than by increasing* anything else.

In summary, the Budget is more appealing to the Conservative than to the social market economist, especially when the two do not coincide. This should hardly be a cause for surprise or hurt on either side. The sooner it is realised that neither the monetary approach to inflation nor a desire to make more intelligent use of market forces cuts right across the normal Left-Right lines, the fewer misunderstandings there will be.

Samuel Britten

MEN AND MATTERS

John Pardoe—after the break

"I have never ever allowed myself to become a one-track mind," said John Pardoe philosophically. "Full time *politicians are incredibly boring* people — like Tony Benn and Harold Wilson. . . Dreadful." The former Liberal spokesman on economic affairs paused to consider the sheer awfulness of the idea.

Ousted from his North Cornwall seat at the general election, he has just become joint managing director of Sight and Sound Education, an international clerical and secretarial training organisation which he claims is the largest in the world. He also remains a director of Gerald Metals.

More significantly, perhaps, he is—like Shirley Williams—taking up a part-time post at the Policy Studies Institute, where he tells me he is reading everything that has ever been written about incomes policy. Tory policy he describes as "hooey": "I shouldn't be a bit *surprised* if there's a freeze before the end of '79. Somebody has to prepare the crowd." His study, which is to be published by the PSI, will, he modestly assures me, be "the definitive work" on incomes policy.

Pardoe insists he is not making a decision for two years about whether to return to the political hurly-burly: "I've spent 20 years of my life knocking on doors. There's a tide in the affairs of men, so why not accept the change that's been forced on me by the good sense of the electors of North Cornwall? *At least it's given* me an opportunity to have a sabbatical, which every man of 44 ought to have. There are 1,001 *things I want to do.*"

"No, I *don't want to buy* a car—I want to take a bus!"

Staying mobile

Austria is suffering a minor raid on her oil reserves by the Russians. The car-fancying Soviet President, Leonid Brezhnev, has air-freighted his black Rolls-*Royce to* Vienna for this weekend's summit with President Carter. The shipment includes a quantity of Soviet Zils and several Mercedes. "It will depend on him which car he uses in Vienna. Maybe the other cars are needed *for other* members of the delegation," a Soviet spokesman said vaguely.

Conspicuous by its absence from the fleet is the Cadillac Richard Nixon added to the presidential collection in 1972, and *the Lincoln Continental* Brezhnev received a year later. Perhaps he felt it better not to offend Carter's sensibilities with this motorised reminder of his predecessor.

The Rolls is one of the few cars Brezhnev has actually paid for. His collection, most of it kept in the Crimea, includes at least eight vehicles donated by heads of state, at an average of about one a year. Citizens of Moscow are glad he does not take *the wheel himself* much these days. According to Nixon, who took a ride with him at Camp David in pre-Watergate days, Brezhnev's style of driving requires most of the road.

Iran exercise

Not merely the weather was sombre when 200 leading British businessmen met in *London* yesterday. They had gathered for a seminar on the outlook for exports to Iran, which until the Shah's demise was a mainstay of our exports.

One of the speakers was George McBain, director of the Irano-British Chamber of Commerce. He had flown back from Iran for the seminar. Although he doggedly returned to his *Tehran office after the revolu*tion, its future now seems in some doubt. Sir Anthony Parsons, formerly British Ambassa*dor* in Iran and now at the United Nations, urged the need to support the Chamber until prospects became more certain.

John Clarke, head of the contractors Marples Ridgeway, expressed the general conviction that stability was the first essential before starting a contracting operation. He spoke feelingly of his own company's problems *with payments* and work permits in road-building projects.

Bob's £70,000

Secretary-general Robert Steel may find it difficult to sit still at his desk on Monday, when he gets back to work at the *Royal* Institution of Chartered Surveyors in Parliament Square. This weekend he will have completed a 1,000-mile walk from John O'Groats to Land's End, raising in the process nearly £70,000 for the institution's benevolent fund.

Steel, aged 59, has given up his annual holiday for this *sponsored* walk, during which he has averaged almost 30 miles a day over hills paths, forest tracks and public footpaths. He has the satisfaction of establishing a British record for the money raised by a solo walker.

Meeting him at Land's End will be Viscount Falmouth, and the president of the institution, Peter Grafton. Also there will be Robert Caton, of the RCIS Benevolent Fund. "Money has poured in from our 50,000 members, in response to Bob Steel's effort," says Caton. "A lot has come from Canada and America." He assures me, as well, that there are many elderly or jobless surveyors in need of help.

Art injection

A week ago, Norman St. John Stevas told heads of the Arts *Council that funds from Gov*ernment might have to be restricted, and so it has turned out. But he also promised that *efforts would be made to stimu*late further sponsorship of the arts by business, as a compensation.

The first step has just been made. Marks and Spencer approached the Arts Council yesterday with an offer to investigate a major scheme to sponsor community arts—such events as street theatre pro*jects and giant murals*—of St. Michael?

Check-out men

The post-Budget spending spree has its unnerving side. Credit Information in Manchester, which is the doughty guardian of 10m items of information—county court judgements, bankruptcies, attachments of earnings—tells me its telephone switchboard was jammed all day yesterday with calls from nervous store managers. "We are having to stay open late on Saturday and all day Sunday to process the inquiries." Apparently the spending boom, or at least doubts about creditworthiness, has so far been more pro*nounced* in Scotland and the Midlands than in London.

Bakerloo chivalry

A housewife of my acquaintance boarded a crowded Tube train with two heavy bags full of shopping. After she had stood for several minutes, a youth sitting near her said sympa*thetically*: "Don't worry, love, they'll all be getting out at the next station."

Observer

Italian telecommunications : By Max Wilkinson

Tackling the telephone tangle

\ MOST important and difficult ndustrial task facing the new Government in Italy is to lead ts telecommunications industry hrough a collision of multi-iational technology and national nterest.

It is a conflict familiar to 'rance, Germany, and the UK vhich have all watched their elephone systems become obso-ete under the pressure of com-uter technology. In all three ountries the response has been verwhelmingly nationalistic to evelop their own systems be-ind the pallisades of protec-ionism.

The peculiar organisation of aly's telephone system—based n five formerly autonomous ones—has, however, prevented ie purely chauvinist approach. hree multinationals, ITT (In-ernational Telephone and Tele-raph), L. M. Ericsson and eneral Telephone Electronics, e entrenched with between em about half the market for vitching equipment. So the attle between conflicting sys-ms, which in France and ritain was fought behind com-ittee room doors, has, in Italy, oved into the open. Because the strength of the multi-tionals in Italy the realign-ents which many observers ink inevitable may well cause portant effects to spread roughout Europe.

The issues at stake are becom-g important to the Govern-ent because the telecommuni-tions service is the largest ngle investor in new equip-ent—and the manufacturers e major employers, especially the depressed southern gions. Moreover public essure is beginning to be felt om the 1m people who are ving to wait a year on average be connected to the telephone twork.

Many thousands of jobs are reatened by the new computer chnology, which it is imated, will require only a rd of the direct factory workers compared with the numbers making the older electro-mechanical exchange equipment. Overall employment is expected to be reduced by about half. Of the 37,000 people employed in switching, perhaps 15,000 will have to go in the next decade.

The Italian administration, like those in almost all other European countries, pins its hopes on increasing exports as a way of saving some of the jobs which would otherwise be lost.

And like most other developed countries, it has to decide whether to build these hopes on a nationally designed system or whether to use national purchasing power to lever the best deal possible out of one of the multinationals. *The Italians have decided on a* compromise which conceptually is less tidy than the solutions preferred in France and the UK, but not necessarily less workable.

In France, the Government forced the two multinationals, ITT and Ericsson, to sell out *their* main subsidiaries to Thomson CSF which used the plant and the expertise acquired to develop its own computer controlled exchange system, in competition with that of CIT-Alcatel. In Britain, the Post Office has corralled the ITT sub-sidiary, Standard Telephones and Cables, into a joint develop-ment programme with Plessey and the General Electric Com-pany of the famous System X family of computerised exchanges.

The Italians have allowed the three multinationals to adapt their own systems to the require-ments of the Italian market, while the state-owned SIT-Siemens (nationalised after the war) has embarked on the diffi-cult job of developing its own system from scratch.

The already congested mar-*ket has been further compli-*cated by the emergence of a fifth company on to the switch-

ITALY'S TELEPHONE SWITCHING SUPPLIERS

(Share of total lines installed 1977)

	%
SIT-Siemens (Italian state-controlled)	52
General Telephone Electronics (U.S.)	13.3
FACE (ITT subsidiary, U.S.)	15.3
FATME (L. M. Ericsson, Sweden)	19.4

Source: FATME

ing scene. Telettra, a subsidiary of Fiat, which has hitherto con-fined itself to transmission equipment. The computer tech-niques used in transmission have, however, led Telettra to-wards the development of exchanges for the public tele-phone network.

The state controlled telephone operating company SIP and the industry ministry have both said they would like to see fewer separate systems in Italy, but the question of how this should be achieved is far from being resolved.

Yet if Italy is serious about wishing to obtain a slice of the *fiercely disputed international* market for computer controlled exchanges, it would seem that some rationalisation is inevit-able and urgent.

Dr. Giancarlo Lizzeri, special adviser to the ministry who has just completed a 500 page study of the industry, believes re-organisation is long overdue. He thinks the industry is likely to come under increasing political pressure as ministers begin to understand the enormous social and technological changes which the introduction of computers is causing.

It is one symptom of this lethargy that the politically unpopular decision to raise tele-phone tariffs has been shelved so long that SIP is facing serious losses and has been forced to make a 35 per cent cut in its investment pro-gramme during the first part of this year. Although SIP's asset position is secure, and its profitability can doubtless be restored by the necessary increase to phone charges, its difficulties show how delicately the fortunes of the whole industry are poised upon political decision.

In Italy, with roughly the same population as France and a slightly lower telephone density, the ordering of new exchange equipment is running at *only* about 600,000 *new lines* a year, less than a third of the volume of orders in France. Last year the number of lines in Italy was about 11m compared with 12.2m in France and 15m in the UK. The most obvious con-sequence is that SIT-Siemens, supplying just over 300,000 lines a year, has a very small home base compared with its inter-national rivals, from which to develop a fully digital computer-controlled system.

The magnitude of the task should not be underestimated. Computer programmes of great complexity are needed, not just to control the exchanges them-selves, but for a whole range of routines for maintenance, test-ing and manufacture. Every circuit board and every sub-assembly of a computerised exchange has to be tested by machines which are themselves controlled by computers. And design is made even more com-plicated by the fact that the system must be capable of adapting to the astonishingly rapid advance of micro-electronics technology. The development costs for most modern systems have been around \$400m to \$500m, and almost all the development pro-gramme have run into fearsome problems in making the jigsaw of computer programmes fit together.

It is hardly surprising, there-fore, that all three multi-nationals in Italy are several years ahead of SIT-Siemens. Ericsson has enjoyed a world-wide success selling its AXE computer controlled system, which it is now modifying to become fully digital. That means that in addition to computer control of the switching sequences, the telephone conversations them-selves are converted into the digits (pulses) of computer language. When this stage is reached, electrically operated mechanical switches can be dis-pensed with altogether. Instead, telephone calls in digital form can be switched in the micro-scopic circuits of a computer itself.

Ericsson's Italian subsidiary, FATME, is already able to make the larger *AXE exchanges in* fully digital form to meet the special requirements of the Italian network. Fully digital local exchanges are also likely to be available soon.

Similarly, ITT's Italian sub-sidiary, FACE, will be able to offer an Italianised version of the fully digital System 12 which is being developed by ITT on a worldwide basis. GTE can also draw on a compara-tively long experience of digital systems from its U.S. operations. Its task in Italy would therefore be adaptation rather than invention.

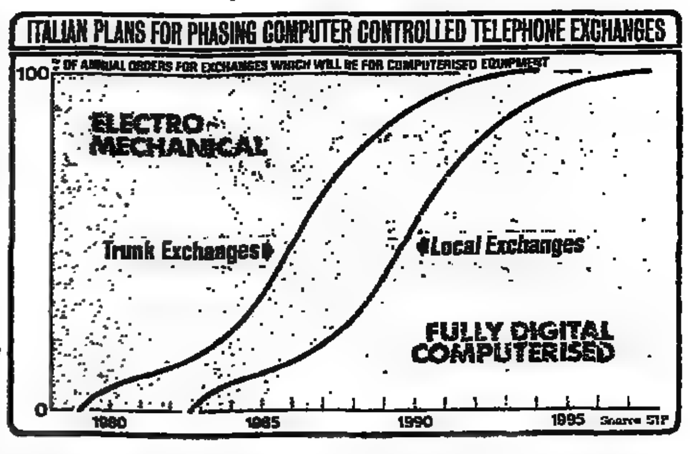
That leaves the two Italian owned companies SIT-Siemens and Telettra, whose expertise is in many ways comple-mentary. SIT-Siemens has long experience, based on a licence from German Siemens, of making electro-mechanical exchanges. Telettra, on the other hand, has grown rapidly by exploiting its skills in elec-tronics, but has very little experience of telephone switching.

Both companies have been pursuing parallel developments in electronic switching. How-ever the main thrust has been the programme for a series of *exchanges called Proteo. The* early versions of Proteo are small terminal exchanges which are not fully digital. However, Dr. Georgio Villa, managing director of the company, says he expects a fully digital version to be available by 1982-83. In official circles, however, doubts have been expressed about whether the company will in fact be able to keep to its time-*table. And although* the com-pany has so far funded the \$150m development programme itself, there is more than a little anxiety whether it can stay the pace alone against the exper-ienced and heavyweight inter-national competition.

If, for example, Fiat, through its subsidiary Telettra, *should* form a joint venture with GTE, *SIT-Siemens would be faced* with a formidable competitor in financial, technical and politi-cal dimensions. Telettra has been talking to GTE, and even signed an agreement for tech-nical co-operation whilst at the same time conducting delicate negotiations with SIT-Siemens. It now seems probable that a three-way technical link up will be agreed, designed to produce a single system for the Italian market. However, it is less clear whether this can be achieved by an exchange of technology alone, or whether some tighter financial and managerial bond-ing will be needed.

One possibility, said to have been discussed informally, would be for Fiat to take the lead by offering to buy GTE's *subsidiaries in Italy* and possibly also those in Spain and Belgium. However, both

ITALIAN PLANS FOR PHASING COMPUTER CONTROLLED TELEPHONE EXCHANGES



Source: SIP

companies deny that this is the subject of serious negotiations. Strong behind the scenes political pressure might be needed to achieve so dramatic a re-organisation, but the Government does hold the trump card of ultimate power over the flow of funds into the industry.

The *state-owned operating* company, SIP, can also place *orders where it wishes. So far,* however, SIP has played a relatively passive role. It has said that it would like the suppliers to rationalise, but meanwhile it has indicated that it does not expect to make any major changes to market share for switching equipment.

The major constraint on SIP's freedom to change its ordering pattern is that any reduction of orders to one company could lead to a catastrophic loss of jobs in some parts of Italy.

However, the official policy of pressing the multinationals to export more appears to be hav-ing some success. For example FATME, the Ericsson sub-sidiary, has increased its ex-ports from only 3 per cent of sales in 1976 to an expected 15 per cent this year. Moreover Ericsson has agreed to make FATME one of its main centres making computer processors for the large AKE exchanges. Al-though the AKE will eventually be replaced by the AXE family, this business is expected to last up until 1987.

A considerable proportion of FATME's exports are in fact a direct result of its parent com-pany's *decision to order equip-*ment from Italy *rather than to* make it in Sweden. Such *pro-duction decisions will in future* have a large political element in all companies during the next few years, and not in Italy alone.

Since the Italian Govern-ment's strategy depends cru-cially on promoting exports from the telecommunications in-dustry, it is confronted with a delicate dilemma. Should its main emphasis be to press Eric-sson, GTE and ITT to use their technology and international marketing *strengths* for Italy's benefit? Or should it channel its energy into helping SIT-Siemens achieve a position from which it could be a credible ex-porter of its own fully com-puterised system? For even if the system failed to be ex-portable, it could still be used as a lever on the multinationals to improve their exporting per-formance.

Letters to the Editor

District heating

om the Chairman, P Group Consultants.

ir,—Mr. Neil Muir (June 7), nts once again to the primary rgy-saving target. Combining t and power generation, to-ner with incineration of nicipal garbage, could save to £2bn a year. All other as for energy saving are uscule by comparison.

'he recent conference in ckholm of the Union of Euro-n Heat Distributors — ICHAL—showed vividly how cessful this technique can be. organisation has more than members and operates rly 3,000 district heating emes, many of which are nbined heat and power IP). Although full statistics not available, there must be eral million families enjoying ap heat and power, and eral countries producing this n of energy are making very stantial fuel savings.

he ratio of heat to power is 1, and CHP makes use of all e increments. Single purpose tricity generation wastes the t. Mr. Muir holds the electri-industry to blame. There is, act, an odd dichotomy. At a nt conference in the UK Mr. man of the Electricity Coun-said there is no disputing t the Council recognises a lic demand for diversion of wasted heat to useful pur-e—and went on to discuss ctical steps in an atmo-ere of complete acceptance. t the same conference, Mr. tlethwaite of the Central ctricity Generating Board de-d his paper to an admission t conversion, even of the est turbo-alternator sets to P working, is economic and ctical.

n spite of this very consider-change of attitude by the tricity industry and the mple of the Midlands Elec-ity Board at Hereford where P is being installed, there is other obvious move to begin action needed, unless state-ts made by other industry kesmen asking for implemen-on of the proposed new Act, reconstructing the adminis-ion of electricity generation distribution, are to be so strued.

'he Plowden Committee's ommendations were em-lied in the Bill—they were ignored as Mr. Muir gests. The removal of the etricity Council would have sented an excellent oppor-ity to put an Energy incil in its place, as has been gested in these columns eral times. We could have l CHP if the Bill had not n thrown out on a political bble. Apart from this, all ties were largely in agree-nt. If the present Govern-nt is not prepared to go ther, then it should go as

'o ask for new powers, to ee that CHP is economic and, ctical in one step but to plug ay at a programme of nuclear wer station generation un-nged since before 1973, is ther. Proliferation of CHP reduce the demand for elec-city for heating and the addi-nal amount it will provide ials or exceeds that which uld be provided by nuclear eration.

Some of us see the situation w as a straight choice be-een CHP with its virtual total use of fuel and nuclear power with continued waste of two-thirds of the heat generated. If this were well enough recog-nised and well enough under-stood by the electorate, a referendum would leave little doubt about preference. No re-search is needed, no more and rather less pollution would re-sult; employment would be widespread, not concentrated as with nuclear building.

The Marshall Committee's final report on CHP is due to be published at any moment. The majority of the membership represents the electricity in-dustry and many of us wonder how this dichotomy will show itself in the report, wonder with some apprehension and some amusement at the dilemma fac-ing the Electricity Council after so many warnings.

S. Jewsbury.

CHP Group Consultants,
1, Brazenose Street,
Manchester.

Rationing petrol

From Mr. C. Bingley

Sir,—Your editorial (June 12) on energy policy is quite right in its comments on conserva-tion.

You might have added that where a reduction in consump-tion of only 5 per cent to 10 per cent is required to ensure that fuel stocks go round—hardly more than the eradication of fuel-wastage—coupon rationing for the private motorist can make a useful contribution to conservation.

Ration allowances can be quite genreous, but the advan-tages to fuel-conservation are twofold. With a known petrol allowance, a motorist can plan ahead and cut out unnecessary short trips. Rationing should prevent garages running out of fuel, so that the wastage now incurred by driving round and round in search of an open garage and then queuing with the engine running would be avoided. Making the lowest denomination of coupon for two gallons would also cut out much of the topping-up which is cur-rently and unnecessarily deplet-ing garage stocks. I speak with feeling, having recently wasted nearly a gallon of petrol in vain search of an open garage in west London.

Clive Bingley.

16, Pembridge Road, W11.

Fuel and the railways

From Mr. R. Houghton

Sir,—Mr. P. R. Warner (June 11) raises one of the great "if onlys" of the post war era. If only we had established a think tank to at least look ahead to the enormous industrial and social development that has taken place, our railways could have been developed to carry all the long haul freight which *now* goes by road and which now by implication is using so much diesel.

The statistics quoted by Mr. R. Foster (also June 11) serve to illustrate the savings that could have been made. Is it too late to take imaginative steps to cope with the problem? It is unlikely that the next 30 years will see much reduction in industry's long range haulage called "going" rate for other requirements both internally and from the ports. A proper development of the railways with this object in mind, must surely be one of the answers for the future.

May I add a further point of my own, commenting on the decision by Swedish railways to reduce rail fares by 30 per cent? If British Rail wanted to in-crease its profits it should con-sider the merits of filling the seats on long-distance trains, so many of which we can see for ourselves remain empty, by reducing rather than raising the cost of fares. Not only would this help to fill the trains but it would take some of the petrol-eating motorists off the roads and thus provide at least a double benefit.

R. W. Houghton.

Toad Hall,
Huntworth, Bridgwater,
Somerset.

No policy for energy

From Mr. N. Beale.

Sir, — Despite its title, your leading article of June 12 does *manage to mix faint praise with* criticism of Mr. David Howell's policy, as you seem reluctant to come down too firmly on either side of the fence separating "market economy" from plan-ning and state intervention. But this leads you into adopting *some astonishing postures.*

You urge "cosmetic" restric-tions upon energy use, even though you admit that "the actual savings might be relatively small." Do you also believe that the costs and inevit-able rigidities of a control system would be negligible?

You call for a "statement of how the Government sees the energy situation overall, not just now but in ten years' time." Have you forgotten that pre-vious attempts by HMG to peer into the future have been falsi-fied almost before the ink was dry?

Official energy policy in the 1950s assumed that crude oil would soon become scarce and expensive — in fact, for the next decade, it was both plenti-ful and cheap. Again, just be-fore the 1973 Organisation of Petroleum Exporting Countries crisis, the responsible depart-*ment opined that oil prices were* likely to remain steady or even fall in real terms in the fore-seeable future.

No, Sir! Mr. Howell is to be congratulated on his firm re-fusal to be stampeded by the interventionists — including, alas, some in his own party as well as the upper ranks of in-dustry. Mrs. Thatcher's Govern-ment was elected precisely to turn its back upon the years of Socialism, whether of the Labour or Conservative variety.

Neville Beale.

Chelsea Towers,
Chelsea Manor Street, SW3.

Paying out at the bank

From the Honorary Membership Secretary, Standard Chartered Branch, Banking Insurance and Finance Union

Sir,—The clearing banks' latest pay offer to staff of 11 per cent new money plus £200 extra allowance for inner London (worth a further 4 per cent on a salary of £5,000) may seem generous in terms of the so-industries' pay settlements.

Because the banks' offer is in excess of that "going" rate I hope that staff will not run away with the idea that it repre-sents a good settlement. The shortfall in salaries over recent years vis-a-vis the retail price index is currently running at anything up to 35 per cent with the higher paid bearing the brunt.

Bank staff are losing con-siderable ground in their battle to keep up with the steadily rising cost of living—and this is before any consideration of increases in real terms which are easily justified by high profitability within the industry.

Of course if the usual happens and the staff associa-tions accept the offer then it may be that bank staff generally will be forced to take another massive drop in their living standards.

What is really needed is a reasonably generous settlement now—say 20 per cent for all—plus a copper bottomed guaran-tee of future realistic annual increases to take account not only of the movement in the RPI, but also of healthy profit-ability within the banking in-dustry.

J. E. Nokes.

49, Clifton Road,
Ashingdon,
Nr. Rochford, Essex.

Distraught Wintonians

From Messrs. G. Dove and M. Shuttleworth.

Sir, — Having read Mr. Kenyon's report (June 11) on the Winchester College produc-tion of Purcell's "King Arthur," as Wintonians and Wykehamists we were distraught to notice that he thinks that the statue in the city's main sreet is that of King Arthur! In fact, the statue to which we presume he is referring is of King Alfred.

As Mr. Kenyon mentioned in his report, Winchester has a cathedral which is celebrating its 900th anniversary this year. For this reason we think that he could at least refer to Win-chester as a "city," not just a "town."

We would also like to point out that it was the men of Win-chester College, not the "boys *of Winchester School," who* staged this production.

Giles Dove.
Mark Shuttleworth.

Sergeant's House,
Winchester College,
Winchester, Hants.

Good pay for good work

From Mr. T. Atherton

Sir,—Heads of nationalised industries have been grossly underpaid before tax, after tax and in their inability to accumu-late capital for many years.

Their responsibilities are enormous—their net rewards even now are quite insufficient to provide them with the degree of personal financial indepen-dence necessary to withstand effectively the frequently disas-trous effects of political inter-ference.

I have never understood why personal financial sacrifice should be one of the essential qualifications for those asked to bear such responsibilities.

T. G. F. Atherton,

Arragon House,
Santon, Isle of Man.

To-day's Events

GENERAL

UK: Sir Keith Joseph, Industry Secretary, speaks at Engineering Industries Association lunch, London.

Labour Party publishes Shadow Cabinet list.

Mr Gordon Richardson, Governor of the Bank of England, gives Henry Thornton lecture at City University.

Harvard Business School sixth European conference, London.

NALGO conference continues, Blackpool.

COHSE conference continues, Bridlington.

Scottish Area NUM debates pay, Dundee.

Prince Philip opens Depart-ment of Industry symposium on use of wind-assisted ships, London.

President Daniel arap Moi of Kenya gives banquet for the Queen, Claridges.

Council of Engineering Insti-tutions publishes report on professional engineers and the trade unions.

Metropolitan Police annual report published.

Banking and Finance Study Group of the Operational Research Society meeting on electronic funds transfer, London.

Princess Margaret's jewellery sale, Sotheby's.

Memorial service for Sir Leon Bagrit, Marble Arch Synagogue, 6 pm.

Overseas: European Central bankers meet in Basle (last day).

Indian Prime Minister Morarji Desai starts three-day visit to Poland.

King Juan Carlos and Queen Sofia of Spain start three-day official visit to Morocco.

Colombian President Julio Cesar Turbay Ayala concludes official visit to Paris.

OFFICIAL STATISTICS

Survey of short-term export prospects (to end of 1979).* UK banks' assets and liabilities and the money stock (mid-May). London dollar and sterling certificates of deposit (mid-May).

PARLIAMENTARY BUSINESS

House of Commons: Budget debate, third day.

House of Lords: Four private Bills. Marriage (Enabling) Bill, second reading. Kiribati Inde-pendence Bill, second reading.

COMPANY RESULTS AND MEETINGS

See Company News on Page 30.

UK COMPANY NEWS

Westland back to profit with £5.2m at midway

A PROFIT of £5.21m has been achieved by **Westland Aircraft** in the half year ended March 31 1979. This follows a turnround from a profit of £5.8m to a loss of £2.86m in 1977-78 but these results were struck after *losses and provisions of £16.2m* (£6.5m) on the Lynx helicopter and Super 4 hovercraft.

This is the first time that interim results have been published and Lord Aldington, the chairman, says it should not be assumed that there is any normal pattern between a full year's result and that for the half year.

Trading in the first half has been satisfactory throughout the group both in turnover — which totalled £87.19m — and profit. Provisions at September 30, 1978 for the Lynx and Super 4 seem certain to cover all related costs, says the chairman.

The half year profit is subject to tax of £915,000 minorities of £483,000 and an extraordinary item of £1m. This latter figure is to meet any damages in case a High Court judgement against the company is upheld. This is in respect of a dispute with Vickers over the basis of settlement of a contract for the building of two Lynx helicopters.

Judgement was given on June 6 on the preliminary question of whether a contract was made in or about 1970 at a defined price as alleged. The Board intends to appeal.

An analysis of turnover and trading surplus of £5.56m by activity shows (£000's omitted):— helicopters £67,587 and £3,316 hovercraft £1,094 and £282 loss, environmental control etc. £10,535 and £1,710, doors £4,568 and £379, and other products £3,405 and £438.

The attributable profit came through at £2.81m and earnings per 25p share are stated at 4.7p. An interim dividend of 1p is declared — in 1977-78 only a final of 1p was paid.

Referring to the Egyptian heli*copter business, Lord Aldington* said yesterday: "The legal position is that the contract remains. But we are aware of the views of various parties who would like to see changes."

He added that Westland had a "good understanding relationship with both sides of the dispute" and said that there was no cause for concern about the financial position of the contract at present. "There is no reason to believe that we will be left with no Lynx orders from the Arab states."

In his interim report the chairman says that the Ministry of Defence has added 20 of the uprated version to its previous Lynx orders. The group is to add a transport version to the Lynx *range. Research and development* costs written off up to March 31 1979 amounted to £3.7m of which £1.2m has been charged in the half year.

During the half year hovercraft effort was concentrated on the second Super 4, which was delivered to British Rail in May but not included in the half *year's turnover. Both Super 4* craft are performing well and useful orders have been received for the SRN 6.

See Lex

Freddie Mansfield

Lord Aldington, chairman of Westland Aircraft

HIGHLIGHTS

Lex dissects the cause of the row that broke out in the gilt-edged security market yesterday over the pitching of the price of the long tap. The column examines Westland which has broken tradition by issuing an interim statement. Halfway *profits amounted to £5.2m before tax. On the bid front, the* fast-moving dealing vehicle Birmingham and Midland Counties Trust placed its 51 per cent stake in Habit Precision Engineering while H. Brammer and a subsidiary of Borg-Warner have shelved their proposed deal. International Timber started the rights issue momentum once again with a call for £6.3m but profits were broadly flat last year if the contribution from Bamberger and property disposals is excluded. Wedgwood's annual results had been widely anticipated and the pottery group suffered heavy debt servicing costs and adverse exchange rate movements.

CompAir halftime decline is £1.1m

AS FOREWARNED at February's annual meeting, midyear profits of **Compair** show a reduction compared with the same period last year. Pre-tax surplus fell from £5.72m to £4.62m for the April 1, 1979, half-year on external sales 10 per cent higher at £78.2m, taking account of the exclusion of Holman Nigeria and the inclusion of Watts.

The directors say most group companies performed well in generally adverse conditions. However, the profits shortfall reflected setbacks in sales of portable compressors and allied plant, which suffered from the loss of the important Iranian market and from the effects of industrial disputes in the UK.

The net interim dividend is unchanged at 1.55p per 25p share and the Board believes it prudent to defer consideration of any increase until full year results are known—last year's total was 4.0369p on £11.32m taxable profit.

Currently, demand for industrial products at home and overseas is particularly encouraging and measures taken to develop additional business for construction equipment are expected to yield some benefits ahead of any general upturn in activity, the directors state.

Although trading prospects for the latter part of the year appear good, they add, the scope for improvement in profits is difficult to assess in view of the uncertain outlook in some key markets.

	Half year 1978-79 £000	Half year 1977-78 £000
External sales	78,192	71,587
Trading profit	8,245	8,603
Interest paid	1,944	1,401
Depreciation	1,683	1,485
Share of assocs.	61	22
Profit before tax	4,618	5,717
Tax	2,247	3,002
Minority interest	31	14
Attributable	†2,340	2,701

† Includes £210,000 in respect of Watts.

● **comment**

CompAir's underlying first half performance is hidden behind a confusing curtain of events such as the Ford strike (which disrupted the supply of engines for compressors), the Iran revolution (which eliminated an annual £5m to £6m export market), a first time contribution from the U.S. based Watts Fluid Power group, the deconsolidation of Nigeria and exchange movements. But these factors cannot disguise the reality of growing pressure on margins from increasing competition and a downturn in demand. The strong pound coupled with an accelerating rate of inflation and the likelihood of high wage demands will tighten the pinch in the immediate to medium term making it very unlikely that the company will be able to post a full year figure much over £10m (last year 11.3m). The shares dropped 2p to 75p yesterday giving a prospective fully taxed pe of 8.5 and a yield (assuming unchanged gross dividend) of 5.2 per cent. CompAir's management has had a good profit track record, but that alone will not stiffen its increasingly soft share price.

Intnl. Timber 44% ahead: planning £6.33m rights

FOLLOWING ON a 44.5 per cent jump in pre-tax profit for 1978/79 **International Timber Corporation** plans to raise some £6.33m by way of a one-for-four rights issue.

The issue—the first by the company for seven years—is aimed at producing funds to cut short-term borrowings and to strengthen the balance as a base for future organic growth and, possibly, for expansion through more acquisitions.

It involves the issue of 5.76m new shares, which will be offered at 110p. This compares with yesterday's closing price of 126p, down 8p on the day, and a 109p to 146p range seen so far in 1979.

Last year the group spent £3.8m on acquisitions, including £2.6m as part of the cost of buying Bambergers, panel product distributor. ITC is currently aiming to spend £625,000 in purchasing premises at Smoke Lane, Avonmouth, from May and Hassell.

By the end of March this year total group borrowings had reached £28m, compared with £20.8m 12 months earlier, with bank overdrafts and acceptances at £14.2m (£5.6m).

A £1.93m advance in the second half, including a five-month contribution from Bambergers of £0.71m, lifted group profit for the year to March 31, 1979, from £5.57m to £8.05m. *Sales* were £32.7m higher at £167.4m with £22.9m from Bambergers.

After tax of £3.81m (£3.07m) stated earnings per 25p were up at 21.5p (16.2p) basic, or 21.5p (14.9p) fully diluted.

The net total dividend is stepped up to 8.0865p (7.035p) by a 5.0865p final with ACT at the new 30 per cent rate. The Board intends to increase the gross payment by 10 per cent for the current year on the enlarged capial.

During 1978-79 higher world timber prices were offset in the UK by the strengthening of sterling and demand improved, despite an almost unchanged level of activity in the construction industry.

However, results for the final quarter were disappointing with trading seriously affected by the weather and the national haulage strike.

The pick up in trading seen in March has continued into the current period and for the first seven weeks sales, were ahead 18.2 per cent on the similar period of last year, including Bambergers in both totals.

The rights issue is being underwritten by Hill Samuel and the brokers are Cazenove and Co. Provisional allotment letters will be posted to stockholders today and dealings in the new shares will begin, nil paid, on June 15.

● **comment**

The strikes and bad weather in International Timber's final quarter could have cost the group £0.75m, even so the £2.5m growth in pre-tax profits is disappointing. Strip out an extra £1m of property profits and a first time contribution of £0.7m from the Bambergers' acquisition and the rest of the group showed little growth. This poor performance plus the £6.3m rights issue and a rather mean 10 per cent increase in the dividend explain why the shares fell 8p to 126p last night. This year, with timber prices rising, there should be scope for some handsome stock profits. But International Timber, which was as big as Montague Meyer at the beginning of the early 1970's, has performed sluggishly over the years and a yield of 9 per cent at the ex-rights price underlines the market's uncertainty about the group's future prospects.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
British Benzol	1.5	—	0.6	2	0.6
Castlefield (Klang) int.	1.4	July 31	1.1	—	3.35
CompAir int.	1.65	Aug. 31	1.65	—	4.04
Continuous Stationery	1.88	Aug. 7	1.62	2.78	2.52
Country & New Town	0.45	—	0.45	0.65	0.65
Edbro	6.76	Sept. 3	4.28	9.03	6.31
International Timber	5.09	Oct. 5	4.29	8.09	7.04
Killinghall int.	3.5	July 31	4	—	12
RKT int.	1.5	July 30	—	—¶	1.54
Rowlinson Construct.	0.48	—	0.43*	0.61	0.61*
Saatchi and Saatchi int.	2.02†	—	1.37*	—	3.2*
Scottish Amer. Inv. int.	1	July 31	0.9	—	2.95
U.S. & Gen. Tst. int.	3§	July 16	1.75	—	6.83
J. W. Wassall	0.48	July 25	0.24	0.68	0.44
Wedgwood	2.43	July 19	1.99‡	4.18	3.74*
W. Brom. Spring	0.8	—	0.71	1.09	0.97*
Westland int.	1	July 27	Nil	—	1
Alliance Invest.	2.7	July 19	2.05	3.75	3

Dividends shown pence per share net except where otherwise state
* Equivalent after allowing for scrip issue. † On capit increased by rights and/or acquisition issues. ‡ On capital to l increased by 1-for-2 scrip. Last year's interim also adjusted f 1-for-3 scrip. § To reduce disparity. ¶ Second interim of 1.E forecast.

Country and New Town improves

Profits before tax of **Country and New Town Properties** rose slightly from £458,248 to £460,504 in the year ended January 31, 1979. At the attributable level, there was a recovery from losses of £23,245 to a £3,142 profit.

Mr. G. M. Newton, chairman, says the group is cautiously optimistic for the current year but he expects steady progress in the following year "as everything indicates an all round improvement."

The final dividend is maintained at 0.45p per share to give an unchanged total of 0.65p.

Mr. Newton says that, as anticipated, the disruption caused by reorganisation and rebuilding at the Strand Stores affected the results with some £600,000 *being added to the cost of de*velopment. Pre-tax profit for 1978-79 excludes any figures relating to the activities of the Civil Service Store.

As this year is the last opportunity for loan stock conversion, the chairman indicates that in the event of full conversion, the net asset value per share would be not less than 63p as in the board's opinion the current value of group properties is understated by some £7m.

	Year 1978-79 £	Year 1977-78 £
Profit before tax	460,504	458,248
Tax	245,293	253,514
Net profit	215,211	204,734
*Extraord. credit	100,878	†568,560
Minorities	212,069	227,979
Attributable	3,142	‡23,245
Subs. losses	179,846	239,689
§Profit	182,988	216,444
Dividends	201,762	174,086
Forward	31,683	50,487

* Transferred to (from) capital reserve. † Debit. ‡ Loss. § Dealt with by the company.

Continuous Stationery at £0.25m.

WITH SECOND-HALF profits virtually the same as those achieved in the first six months, Continuous Stationery ended the March 31, 1979 year up from £191,758 to £246,448 pre-tax. Turnover rose some £0.3m to £2.75m.

When reporting first-half profits about 8 per cent higher at £123,276, the directors forecast that this level of profitability would be continued for the second six months. The company prints computer stationery.

Yearly earnings per 10p share were up from 3.82p to 4.69p, while the total dividend is raised to 2.78p (2.52p) net, with a final of 1.88p.

Tax took £129,210 (96,242) giving net profits ahead from £95,516 to £117,238. Dividends absorb £69,500 against £63,000.

Comparative figures have been restated due to a change in accounting policies relating to defered tax and freehold depreciation.

RKT profit upsurge to £1m midway: dividend boost seen

For the six months to March 31, 1979, pre-tax profits of Robert Kitchen Taylor and Co. almost doubled from £581,000 to £1.01m and the directors are forecasting a sharp increase in the current year's dividend total.

But the Board warns that although the current year will be very satisfactory for the group, pre-tax levels may not exceed the record £2.17m achieved in 1977-78.

An interim dividend of 1.5p is declared and the directors forecast a second interim of the same amount in August — last year's total was a single 1.5435p.

Turnover for the first half was £9.11m, compared with £9.49m. Tax takes £393,000 (£165,000) giving earnings per share of 17.27p, against 10.28p.

After pre-acquisition profits and minorities, the attributable profit is £600,000 (£357,000).

Group activities include knitwear manufacture, textile merchanting, property investing and dealing.

● **comment**

The lifting of dividend controls was an appropriate curtain-raiser to Robert Kitchen Taylor's in*terim figures. Last year's* dividend was covered over 25 times and yesterday's announcement that two interim payments should be made, each roughly equivalent to last year's total, means that shareholders benefit from a sharply escalating yield. A 6p total would give 4.6 per cent, hardly spectacular but over twice last year's figure. The group is also in a far better position to pay than it was a few years ago. This is all discounted in the share price, however, and it was partly yesterday's cautious second half forecast which pushed the shares down 4p to 196p. First half profits doubled and the implication is therefore that earnings in the second six months may be well down. The company *says its business is be*coming increasingly anti-cyclical and a more even performance *over the year must be expected.* Margins have remained roughly constant as first half sales in 1977-78 were heavily influenced by unprofitable property disposals.

CENTURY OIL

Century Oils Group announces that as a result of the reduction in income tax rate the final dividend will be increased from 2.2999p to 2.4029p net, payable August 3.

هكذا من الأصل

Go past any junkyard and you will see just a sample of what corrosion costs this country.

But the full story is even more depressing.

According to one official source corrosion costs this country a staggering £10 million a day!

Which is a fairly pressing argument for making some changes in attitude. Many designers, engineers, specifiers and buyers have already taken up the challenge. They are looking afresh at materials like stainless steel.

And they are being convinced by the total cost argument for stainless steel; that in the end stainless is cheaper than and outperforms conventional raw materials, especially when you look at the maintenance costs and longevity of each. That's why there's an ever-growing list of new products being developed and sold using stainless steel.

Products that demonstrate that good design and good construction can be successfully and economically wedded to long life.

A product made from stainless steel has the ability to totally satisfy the customer. Through design, through manufacture, through price and through performance.

As a businessman you should look again at stainless steel for your products.

After all, the cost of the alternatives is already being totted up.

If you would like to talk more about the possibilities of stainless steel contact Mike Whitecross, BSC Marketing, P.O. Box 150, Sheffield S9 1TQ.

BSC stainless

One way of totting up the cost.

Saatchi ahead 50% to top £1m in first half

FROM TURNOVER up 39 per cent to £34.2m, profits before tax of the Saatchi and Saatchi Company advertising agency rose 50 per cent from £755,000 to £1.13m in the first half year ended March 31, 1979.

The directors say the outlook for the year continues to be satisfactory and they expect 1979 to show further good progress. *In 1978-79, the group reported* pre-tax profits of £1.87m.

An interim dividend of 2.02p is now declared on capital to be increased by a one-for-two scrip issue. Last year's interim was 1.37p adjusted for a one-for-three scrip.

Tax takes £655,000 (£438,000) giving earnings per share of 6.74p against an adjusted 4.51p. Attributable profits amounted to £380,000 compared with £254,000.

In the first half, new assignments have come from Nestlé, Campbell's Soups, Smith and Nephew, Procter and Gamble, The Law Society, British Rail and the Wallpaper Marketing Board, the directors state.

As reported, Saatchi has acquired the Dublin agency, O'Kennedy-Brindley, one of Ireland's top three agencies. Following the acquisition of Hall's, Scotland's largest agency, last year the Board said its aim was to have a strong presence in the major regional centres of the British Isles.

● comment

The momentum which swept the Tories to victory is apparently propelling their advertising agents, **Saatchi and Saatchi**, along as well. With the continuing improvement in margins, interim profits are up by about half on gross billings that are some 40 per cent higher. Most of the growth is due to new business coming through together with fresh assignments from exist existing clients. New accounts such as Nestlé, Campbell's Soups and Family Rail Card—the latter is expected to add about £¾m to turnover—should produce some significant contributions in the second half. A further boost would be the revenues from the Tories' election campaign, all of which should easily carry Saatchi well beyond the £2m mark this time. The share price reached a peak of 225p but closed 2p down on balance to 218p yesterday, where the prospective yield is around 5 per cent (assuming 50 per cent profit growth for the full year), following its stated policy of matching the rate of earnings and dividend increase.

BOARD MEETINGS

TODAY

Interims—English China Clays, E. J. Riley

Finals—Alpine Soft Drinks, Amber Industrial, Avenue Close, Braby Leslie, British Cinematograph Theatres, British and Commonwealth Shipping, Brown Shipley, Caledonia Investments, Chloride, Control Securities, Corn Exchange, Crosby Spring Interiors, Dom Dominion and General Trust, Dorrington, Elsewick-Hopper, Great Portland Estates, William Leech Builders, Milbury, Ocean Wilsons, Pauls and Whites, Plysu, Polly Peck, Robertson Foods, Sekers International, Staveley Industries, Valor.

FUTURE DATES

Interims—	
Bluemel Bros	June 21
Dennis (James H.)	June 19
Eurotherm International	July 10
Irish Distillers	*June 20*
Finals—	
Equity Consort Investm't Tst.	June 28
L.C.P.	June 26
Rivington Reed	June 22
Tunnel	June 21
Whiteley (B. S. and W.)	June 22
Wilson Bros	June 23

CHANNEL TUNNEL

Taxable profits of **Channel Tunnel Investments**, the company formed to build a tunnel between England and France, were steady in 1978.

Channel Tunnel, which is now an investment company, made a surplus of £3,537, against £3,495. Tax takes £1,848 (£1,807). Stated earnings per 5p share are down from 0.15p to 0.12p.

Profit rise at Ayrton Saunders

Pre-tax profits of **Ayrton Saunders and Co.**, manufacturing chemist, rose from £532,208 to £576,738 in the year to February 24, 1979, on sales of £8.55m, against £8m.

After tax of £306,445 (£282,201), stated earnings are higher at 110.3p (101.9p). The net final dividend of 8.07225p lifts the total from 10.9744p to a maximum permissible 12.07225p. A one-for-one scrip issue is also proposed.

Dividends absorbed £34,393 (£31,759), leaving retained surplus at £235,900 compared with £218,248.

Mr. D. R. Leith, chairman, says wholesale sales rose 10 per cent to £7.88m, but exports slipped by some £214,000 to £889,373. This occurred in the last quarter and was the result of a policy change in Nigeria. However, orders are now picking up.

Fixed assets rose from £338,597 to £354,999, and net current assets were higher at £1.86m (£1.55m). Bank borrowing decreased by £193,930, against a £142,516 increase last time.

Meeting, Liverpool, July 6 at noon.

Second half fall at Edbro

AFTER showing a rise at midway from £1.3m to £1.6m, profits before tax of **Edbro (Holdings)** the Bolton engineering group, fell to £3.02m in the year ended March 31, 1979, compared with £3.66m in the previous year.

In their interim report, the directors said the outlook for the second half had deteriorated. It was difficult to forecast the year's outcome, but they expected a pre-tax profit of a similar order to that of 1977-78.

Earnings per share before tax are stated at 36.2p against 44.5p and 23.6p (32.5p) net. The final dividend is 6.76p lifting the total from 6.3145p to 9.03p, which is the amount the directors indicated they would have paid for *1977-78, but for dividend controls.*

Turnover amounted to £32.87m against £26.73m. Tax takes £1.05m (£985,000) and £1.21m compared with £2.15m is retained.

Reserves at March 31 this year were £9.94m against £9.22m after debiting a prior year depreciation adjustment of £64,000 (nil), exchange differences of £198,000 (£244,000 credit) and £322,000 (£1.33m) goodwill written off.

● comment

Edbro's share price has slumped by a quarter in the last six months and, on the face of it, a full taxed historic p/e of nine suggests that rating has found its correct level. But expectations for the current year should hopefully start from a substantially higher base. The transport strike in January and February probably clipped profits by some £500,000 and delays in commissioning the new Wythenshawe warehouse possibly cost a further £200,000. Against that, competitive pressures are tending to intensify rather than ease and the foreign exchange reaction to the Budget merely makes the task of penetrating the important North American market that much harder. But at least the level of incoming orders is strengthening and is now showing a volume gain of perhaps a fifth on a year on year basis, Wythenshawe should be pulling its weight by the autumn and the new plant in Eire is finally coming into operation. *Meantime, Edbro had signalled* its dividend intentions well in advance of relaxation and the foreshadowed payment, covered 1½ times on a CCA basis, yields 9 per cent.

CHARTER TRUST

The Charter Trust and Agency announces that £162,167 of its 4½ per cent convertible unsecured loan stock 1980-85 was lodged for conversion into 259,467 ordinary stock of 25p.

Bromwich Spring declines

AFTER A further decline in the second half taxable profits of **West Bromwich Spring Company** slumped from £595,475 to £349,783 in 1978. Turnover was static at £3.4m.

At midway the surplus had declined from £308,000 to £228,000 on turnover marginally down at £1.81m. The directors then anticipated maintaining the position in the second half which in the event produced profits down from £287,000 to £122,000.

Tax for the period takes *£190,000, against £313,000, leaving* net profit down from £282,475 to £159,783. Stated earnings per 10p share have fallen from 7.06p on the old capital to 2.62p.

The final net dividend of 0.797p lifts the total from an adjusted 0.972p t.o1.057p.

Today's company meetings

Atlas Electric and General Trust, Winchester House, London Wall, EC, 2.30. Berkeley Hambro, 41 Bishopsgate, EC, 3.30. Boustead, Westbury Hotel, New Bond Street, W, 12. Central and Sheerwood, Hyde Park Hotel, Knightsbridge, W, 12. Croda International, Connaught Rooms, Great Queen Street, WC, 12. Crosby House Group, Great *Eastern Hotel, Liverpool Street,* EC, 11. Dutton-Forshaw, Park Lane Hotel, Piccadilly, W, 12. Gleves, Brown's Hotel, Dover Street, W, 12. Heal, 196, Tottenham Court Road, W, 3. Hestair, Hyde Park Hotel, SW, 12. Hewden-Stuart, 135 Buchanan Street, Glasgow, 12. King and Shaxson, 52 Cornhill, EC, 12. Laporte, 20 Aldermanbury, EC, 12. F. Miller (Textiles), 13 Bath Street, Glasgow, 12. Porter Chadburn, St. George's Hotel, Lime Street, Liverpool, 12.15. Spillers, Painters Hall, 9 Little Trinity Lane, EC, 12. Usher-Walker, Connaught Rooms, Great Queen Street, WC, 12. G. Wimpey, Royal Garden Hotel, Kensington High Street, W, 12.

Wedgwood edges forward and looks for progress

FOLLOWING an improvement in the final quarter, taxable profits of **Wedgwood** rose marginally—from £8.35m to £8.55m—in the year to March 31, 1979.

At midway the surplus had fallen from £3.95m to £3.81m. At the end of the third quarter it was static at £6.28m, and the group then forecast a modest increase for the year.

The Board now says that although overseas sales continued to increase they were affected by exchange movements. Overseas sales accounted for 57 per cent of the £84.2m total (£73.4m), compared with 58 per cent and 62 per cent respectively in the previous two years.

The U.S., Canadian and Australian distributing companies had a good year as did the manufacturing company in Croydon, Australia. Sales in Europe and Japan showed good growth in the face of strong competition.

And the Wedgwood Rooms division achieved a record 30 per cent sales increase and opened 15 new rooms, bringing the total to 100 in its 25th year of trading.

Of the US$13m acquisition of the American tableware and architectural tile maker, Franciscan, of California, the Board says this is intended to be complementary to, not competitive with, the long-established position in North Staffordshire. The $13m, payable in three annual instalments, will be financed by U.S. currency borrowings.

The directors add that stiff targets have again been set for the group's manufacturing and sales executives and they hope to see another year of progress.

At the trading level the surplus had increased from £9.36m to £10.7m. But the increase was reduced by higher exchange losses of £1.14m, against £769,000, and a substantial rise in interest charges from £245,000 to £1.02m.

However, after a lower tax charge the net profit is up from £6.55m to £7.29m. Stated earnings per 25p share have risen 2p to 19.6p.

Freddie Mansfield

Sir Arthur Bryan, chairman of Wedgwood, studying a craftsman at work on the new range of Egyptian inspired products at the Barlaston factory

There is a further improvement in attributable surplus, from £5m to £6.72m, following an extraordinary debit of £563,000, against £1.55m last time.

The reduction in extraordinary items is mainly due to the fact *that this time there is no provision for a posible exchange* loss in Swiss loans, compared one of £1.17m last time.

The final dividend of 2.436p lifts the net total from an equivalent 3.74p to 4.176p. Net assets per share are shown up from 97.9p to 113.2p.

	1979 £000's	1978 £000's
Sales	84,202	73,443
Operating profit	10,701	9,383
Exchange losses	1,136	769
Interest	1,018	245
Profit before tax	8,547	8,349
Tax	1,261	1,798
Profit after tax	7,286	6,550
Extraordinary debit	563	1,549
Attributable	6,723	5,001
Dividends	1,575	1,413
Retained	5,148	3,588

● comment

Wedgwood's full-year results are much as expected. At the operating level, margins were held at 12.7 per cent but much higher exchange losses and interest charges cut this back to just over 10 per cent pre-tax. A big jump in borrowings was the major factor, due to the cost of bringing on stream the new U.S. warehouse and distribution centre and the need for a short term bridging loan of just over £2m to cover the delay of a State support grant. Adverse currency movements reduced the profits contribution from exports in spite of volume gains in major markets such as the U.S. At home, sales volume was roughly 15 per cent lower, mainly because of reduced tourist expenditure in the West End. In the current year, prospects look somewhat brighter, especially if borrowings can be cut. Exports are buoyant both to the U.S. and EEC while home market sales are showing a small rise. There *will also be the benefits of price* increases of up to 15 per cent from May 1. At 88p the shares are on a fully-taxed historic p/e of 7.8 while the yield is 7.3 per cent.

Eastern Prod. waits for crop sale

PROSPECTS FOR this year seem to be similar to 1978, says Mr. H. K. FitzGerald, chairman of **Eastern Produce (Holdings)**, the tea, rubber, copra and cocoa group, in his annual statement for 1978.

But he adds that the full results will only become apparent at a later stage of crop disposal. Last year the group's taxable profits fell from £7.16m to £2.79m. The main reasons were the recession in tea and coffee prices, and the consolidation of the share of Associated Fisheries disappointing results.

Mr. FitzGerald points out that the proportion of group debt to shareholders' equity was down to 21 per cent against 78 per cent at the end of 1976.

The acquisition of *Ernest Notcutt* Group, the insurance broker, was completed without undue strain on resources, he adds. The group intends to apply this criterion to further work needed to broaden activities and increase earnings, particularly in the UK.

Mr. FitzGerald says that the Associated Fisheries Investment, for which a £525,000 pre-tax loss was included last year, will prove to be long-term. But there has been a further improvement and expansion in this operation's shore activities. Mr. FitzGerald is chairman of Associated Fisheries.

On the rubber and copra side yields to date have been increased and the price of both commodities on international markets is much improved.

British Traders and Shippers has started the year with useful figures.

Meeting, Winchester House, EC, on July 5 at noon.

Cargo upsurge at Mersey Docks

AN UPSURGE in general cargo at the **Mersey Docks and Harbour** Company will help reduce the loss of £1m incurred earlier in the year by the transport dispute.

Sir Arthur Peterson, the chairman, told the AGM yesterday that since the end of the strike the level of general cargo had increased to an extent that, despite the stopage, the group handled more tonnage in the year than in the same period of 1978.

Sir Arthur said that the company was still negotiating the disposal of the now-redundant South Docks on a leasehold basis. No disposals would be concluded however until full implications of Government policy on the Community Land Act and Development Land Tax had been assessed.

The chairman underlined these assurances when answering questions from stockholders. He said that talks were continuing with the Government on the method of financing the modernisation of facilities for handling general cargo. The company was also still looking at expenditure and had reduced the number of registered dockers by another 250 men. This meant that 447 dockers and 314 other employees had left voluntarily in the last nine months at a cost of just over £2.7m.

During 1978 the cargo handling operations had resulted in a loss of almost £4.3m after allowing for overheads, interests and depreciation of which £1.8m was paid to dockers sent home because there was no work.

هكذا من الأصل

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manu-facturing output (1975=100); engineering orders (1975=100); retail sales volume, retail value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
t qtr.	107.0	102.2	99	106.4	246.4	1,409	188
d qtr.	110.8	104.5	96	107.9	254.4	1,367	213
d qtr.	111.5	105.2	103	110.7	266.6	1,380	213
n qtr.	109.8	102.6	114	111.7	273.0	1,340	230
c.	111.2	103.6	115	113.8	279.8	1,321	231
1979							
qtr.	108.2	101.0		110.3	276.4	1,351	234
n.	102.6	93.0	89	108.6	273.1	1,339	236
b.	110.4	103.8	99	110.4	275.4	1,363	231
rch	111.5	106.2		110.8	279.8	1,350	236
ril				116.4	290.6	1,311	250
y				113.5		1,307	257

UTPUT—By market sector: consumer goods, investment goods, termediate goods (materials and fuels); engineering output, etal manufacture, textiles, leather and clothing (1975=100); using starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
978							
qtr.	103.2	98.8	116.3	99.9	96.6	98.0	17.8
qtr.	108.0	98.1	122.4	99.8	107.4	101.2	27.1
qtr.	108.6	99.7	123.2	101.0	101.2	103.6	23.0
qtr.	105.5	96.9	123.3	96.8	97.6	101.7	20.2
.	106.0	96.0	123.0	96.0	93.0	103.0	20.7
	106.0	98.0	126.0	98.0	102.0	101.0	15.8
979							
qtr.	104.2	97.4	125.4	97.7	96.0	99.3	12.7
	99.0	91.0	117.0	91.0	77.0	95.0	10.1
.	105.0	100.0	129.0	100.0	102.0	100.0	12.7
ch	108.0	101.0	130.0	102.0	109.0	103.0	15.4
il							17.9

TERNAL TRADE—Indices of export and import volume (75=100); visible balance; current balance; oil balance (£m); ms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
78							
tr.	119.8	113.5	−590	−369	−620	105.7	20.63
qtr.	122.2	109.7	−173	+208	−414	104.9	16.75
qtr.	124.8	114.9	−367	+154	−501	106.1	16.55
tr.	124.8	112.3	− 39	+450	−480	106.9	15.77
79							
tr.	110.3	113.3	−1,181	−787	−237	107.7	16.78
	113.0	107.2	−126	+ 6	− 62	107.4	16.26
	100.7	117.0	−766	−635	− 78	108.1	16.62
h	117.3	115.7	−289	−158	− 97	107.4	17.45
l	128.4	127.2	−327	−217	−114	108.9	†21.47
							21.53

ANCIAL—Money supply M1 and sterling M3, bank advances terling to the private sector (three months' growth at annual); domestic credit expansion (£m): building societies' net w; HP, new credit; all seasonally adjusted. Minimum ing rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
8							
r.	24.3	23.8	17.5	+1,811	1,049	1,373	6½
tr.	10.1	15.0	24.5	+2,800	694	1,306	10
r.	17.2	8.3	8.6	+ 591	746	1,341	10
r.	13.1	13.0	8.7	+1,875	878	1,376	12½
	13.1	13.0	8.7	+1,092	254	507	12½
9							
.	7.2	10.1	32.7	+1,621	777	1,586	13
	14.6	18.9	21.2	+ 801	289	525	12½
	17.6	26.6	24.1	+1,089	231	531	14
.	7.2	10.1	32.7	− 269	257	330	13
	16.8	7.3	19.2	+ 814	343	572	12
					309		

ATION—Indices of earnings (Jan. 1976=100); basic rials and fuels, wholesale prices of manufactured products (=100); retail prices and food prices (1974=100); FT nodity index (July 1952=100); trade weighted value of ing (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT comdty.	Strlg.
.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
r.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
r.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
.	136.4	147.1	137.3	202.6	208.0	257.69	62.7
	138.0	148.3	158.3	204.2	210.5	257.69	63.2
.	140.1	152.2	161.5	208.9	218.8	268.83	64.4
	135.7	150.8	160.0	207.2	217.5	260.63	63.5
	141.1	152.2	161.7	208.9	218.7	267.36	63.7
	143.4	153.5	163.2	210.6	220.2	268.83	66.1
		158.3	165.3	214.2	221.6	277.11	67.1
		160.7	167.2			279.20	

*d seasonally adjusted. † Reserves: now revalued annually, new estimates.

UK COMPANY NEWS

STC sale enhances its local image

BY MAX WILKINSON

STANDARD Telephones and Cables is as thoroughly British a company as it is possible for the subsidiary of a multinational to be.

Entirely managed by British nationals, it has formed close associations not merely with its main customer, the British Post Office, but with its main rivals, the General Electric Company and Plessey. Moreover it is run at arm's length by ITT, its U.S. parent, which allows it a large degree of independence within the terms of its general corporate strategy and financial disciplines.

In one sense, therefore, the decision to offer 15 per cent of STC for sale on the British stock market is not surprising. It is merely an extension of the carefully cultivated national identity which STC has maintained for many years.

If flotation to emphasise the Britishness of STC is such a good idea why should it have taken so long? It is after all 54 years since ITT acquired all Western Electric's European subsidiaries and the British company changed its name to STC and 96 years since the Western Electric office was opened in London.

On the strategic level the answer is that ITT has been developing a policy over the last few years of selling off minority stakes in its European telecommunications.

The most important example of this policy is the sale of part of Standard Electric Lorenz in Germany. This policy is a recognition of the highly political nature of the telecommunications market and the increasing rather than lessening pressures of nationalism within Europe.

As the developed countries move away from the old labour intensive telephone exchange equipment into the era of computer control and microelectronics, many thousands of jobs in traditional factories are being phased out. The inevitable loss of jobs has focused the attention of the public and of Governments on the industry and inevitably increased the forces of protectionism.

Since the major European companies are developing their own national versions of computer controlled telephone systems in opposition to ITT's own Metaconta and its more advanced System 12, the position of the multinational has been extremely delicate. On the one hand it is a major employer in many European countries including the UK, Germany, Italy and Belgium and a major source of advanced technology, but on the other hand it is seen in some ways as an outsider in a highly competitive market.

The response of the French Government five years ago which forced ITT to sell its main telecommunications subsidiary (Le Materiel Telephonique) to Thomson CSF, the French electronics group, was a sharp warning of how far European nationalism could go.

Trevor Humphries

Kenneth Corfield—chairman and managing director of Standard Telephones and Cables, 15 per cent of which will be put on the British stock market.

Having decided to sell a minority share in STC, ITT was left with the tactical question of when and how much of the subsidiary should be offered onto the market. Since its record year in 1973 when pre-tax earnings were £38m, the company's performance first declined and then reached a plateau of pre-tax earnings of about £30m in the past two years.

This unexciting performance reflected the general cut backs of Post Office ordering two years ago, the substantial drain of redundancy payments to the workers no longer needed in traditional assembly and at the same time a substantial investment in development of a new electronic exchange, the TXE4, which was intended as an intermediate step to the fully digital computer controlled System X.

These special factors came at a time of general recession and a downturn affecting the consumer side of the business.

The company now appears to have weathered these difficulties and the outlook for the part of the business which is to be consolidated in the imminent offer for sale would appear to be reasonably optimistic. The company is expecting profits to increase by perhaps 20 per cent this year, and with continued orders for TXE4 and later for System X equipment, the general outlook appears favourable, especially as the bulk of the redundancy costs have now been incurred.

Total sales of the whole of the STC group reported for 1978 were £509m, but not all of this group is to be part of the new group subject to the offer.

Sales of this new group, which comprises mainly the telecommunications and business systems part of the operations amounted to £374m with a pre-tax income of £26.9m. The largest part of this is in telecommunications electronics with a 1978 turnover of £225m and a pre-tax profit of £21.7m. This includes the business systems group, which sells private exchanges and computing equipment.

The other part of the group is the Electronic Components and Distributing operations, a large wholesaling operation with a 1978 turnover of £155m and pre-tax profit of £5.2m.

The proposed company will have 26,000 employees, of which 17,500 will be in the telecommunications group. Much the largest part of this group is the manufacture of exchange switching equipment, now nearly all electronic. About 13,000 people are employed in switching which contributes some £200m in sales.

On the transmission side of the business, the company retains a relatively strong position as one of only four major groups in the world in the long-distance underwater cable market.

The sections of the present STC which will not be included in the new group include the consumer products division and the engineering products group. Consumer products include the Sheraton Hotels, television, audio and electrical appliances which will be managed as direct subsidiaries of ITT.

The engineering products group includes control equipment and products for the automotive industry. The ITT semiconductor operation based in Footscray, Kent, will not be part of the new STC group but will be managed in conjunction with ITT's other semiconductor operations in Europe.

At the Hamburg transport fair: By Ian Hargreaves

A future for rail

TRANSRAPID, the overhead electromagnetic suspension railway which [illegible] between the display halls at the Hamburg world transport exhibition has not failed [illegible] German manufacturers [illegible] to be the event's most [illegible] piece of equipment.

[illegible] has not been [illegible] the West German [illegible] which put up DM [illegible] to build the first [illegible] track for the mag-lev train might have hoped [illegible].

In total over DM [illegible] has been spent in the last [illegible] years by the government and by three companies, [illegible] Messerschmitt-Bolkow-Blohm (MBB) and [illegible], in developing what is claimed to be the world's quickest railway.

[illegible] Hamburg [illegible]

[illegible] tomorrow's world [illegible] the key words.

These themes were apparent in Hamburg from the moment Herr Walter Scheel, the outgoing German president, stood up last weekend to open the exhibition claimed to be the largest transport show ever held. He set out by rhapsodising about the private motorcar: on the freedom it had conferred on its owners, on the sensual relationship between man and machine which it made possible and on the economic importance of the motor industry. The car had become a symbol of status and prosperity in the way that a big belly had been to an earlier generation. "Just as we have learned . . . the benefits of slimming, so we must learn to be more thoughtful about our use of cars," Herr Scheel said.

Hamburg, he pointed out, was a model city. Its buses and trains run on integrated ticketing and appear to be clean, modern and abundant. There is willingness to experiment in new systems, such as the guided way cabin-taxi system (rather like an office to house or office to underground station ski-lift now under construction. Above all, the authorities are ready to pay. Hamburg's public transport operators cover only two thirds of their costs through the fare box.

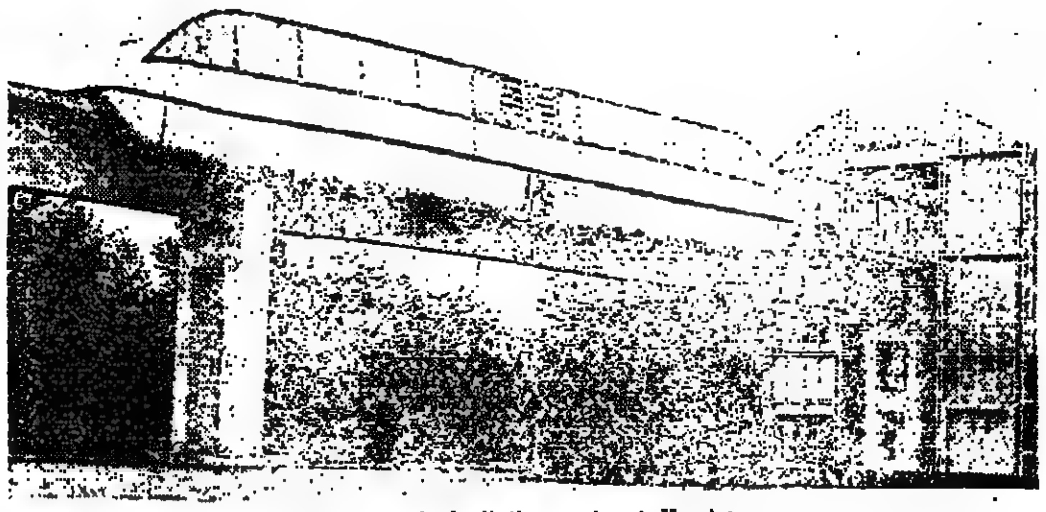
It is to the need to restrain costs on the one hand and yet compete with the comfort of the private motorcar that the most significant efforts of transport research are being put. Regenerative braking, whereby energy converted to heat when a vehicle brakes is re-converted into motive power, has for some time been a feature of advanced railway systems. A number of bus manufacturers exhibiting in *Hamburg seek to apply similar* principles.

Computers are everywhere. Virtually every railway operator at the exhibition has some form of computerised system control on display. On the buses side, a great deal of effort is going into robust and cheap devices to make dial-a-bus, which has been tried in several European cities, economical. MBB is launching an attractive push-button device designed to explain an urban rail route to an unfamiliar customer. Great strides have been made with automatic fare collection systems, many of which are on display.

Railways are naturally suited to automatic running and a system designed by MAN and Bosch offers a similar possibility for buses. It requires a dual control bus, capable both of running on a road or on a reserved concrete track where *a subterranean cable electronically* transmits instructions to the vehicle's steering system.

It is no doubt indicative of both the strength of the German economy as well as of the fact that in Hamburg the German companies are on home ground, that they should emerge with the most striking concepts and prototypes in public transport.

Britain's challenge in the field of buses is the Leyland Vehicles Titan double-decker. Its virtues are of a decidedly solid and practical nature: lower step heights for elderly passengers, for example. Likewise British Rail, whose research department has a magnetic levitation vehicle on test in Derby, prefers at Hamburg to push the bogie system of the Advanced Passenger Train and its plastics technology in coach construction, rather than more glamorous ideas.



The magnetic levitation train at Hamburg

Partly this reflects a lack of Government willingness in Britain to finance research into advanced ground transport, partly a different philosophy in the industries themselves. British metro equipment manufacturers, for example, are committed to simplifying and making cheaper existing equipment rather than branching out into revolutionary designs, of the kind which have sprung up in some U.S. cities in the last 10 years, often with mixed success.

On the non-German stands you can hear forecasts that much the same will happen to the mag-lev railway, but that does not daunt its promoters.

They believe that there exists in Europe a range of traffic flows of 2,000 to 2,500 kilometres (1,250-1,560 miles) which are too long for conventional train speeds and too short for economical journeys by air. So they propose a network of mag-lev trains running at up to 400 kilometres per hour (250 mph), with stations every 160 kilometres (100 miles). Capital costs, they argue, are similar to those for a conventional railway, but much cheaper if the district is hilly, requiring tunnels for normal trains.

They also have faith in the linear motor, whose high fuel consumption and other shortcomings were blamed by the British Government for its decision more or less to abandon work in the field. The Germans say the motor (an electric device built into the track rather than a conventional motor in the vehicle, avoiding the use of wear-prone moving parts) is already as energy-efficient as a private car with comparable loads. This, of course, is far short of the energy efficiency of either buses or ordinary trains.

It all adds up to a tough world for transport in the 1980s. Public transport operators have seen their financial stability undermined by private cars in the last 10 years and in most countries have not recovered confidence to the point where they themselves are making major advances in terms of technology and service quality because, largely, of the costs involved.

At the same time, throughout Europe and gradually in the U.S., there is an awareness that in the medium term, public transport will have to adapt to help to solve energy problems. Public transport in many countries is moving up from the bottom of a 15-year cycle of decline. The Hamburg exhibition provides a few clues about how it might approach the challenges of growth.

NOTICE OF REDEMPTION

To the Holders of

Honda Motor Co., Ltd.

7½% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN, that One Million Ninety Two Thousand Dollars ($1,092,000) principal amount of Honda Motor Co., Ltd. 7½% Guaranteed Sinking Fund Debentures Due 1981 and bearing the following serial numbers, have been drawn for redemption for account of the Sinking Fund on July 15, 1979 at the principal amount thereof and accrued interest to that date.

DEBENTURES IN DENOMINATION OF $1,000 EACH

11	880	1948	3138	4497	5497	6195	7812	9277	10828	12524	14291
30	955	1951	3153	4501	5506	6197	7852	9284	10836	12529	[illegible]
43	997	1958	3172	4503	5514	6214	7884	9292	10846	[illegible]	14319
60	1006	1990	3204	4506	5520	6222	7380	9310	10882	12562	14392
67	1046	2022	3227	4511	5532	6230	7405	9322	10892	[illegible]	14421
74	1051	2039	3255	4515	5536	6233	7421	9352	10856	12800	14451
90	1080	2045	3244	4518	5542	6235	7426	9349	10894	12962	14442
97	1085	2096	3285	4523	5553	6251	7301	9348	10925	13000	14457
117	1088	2114	3303	4530	5558	6258	7575	9354	10927	13036	14459
125	1093	2177	3311	4540	5563	6271	7685	9365	10943	13044	14478
138	1095	2193	3349	4548	5567	6282	7685	9406	10969	13048	14483
144	1100	2225	3404	4574	5570	6302	7701	9444	10979	13050	14486
147	1105	2233	3420	4582	5578	6306	7723	9458	11022	13056	14494
151	1108	2240	3444	4587	5584	6310	7730	9469	11034	13071	14500
153	1112	2259	3459	4594	5587	6319	7745	9483	11037	13098	14524
158	1121	2268	3463	4598	5591	6328	7763	9508	11042	13102	14528
209	1124	2284	3477	4611	5595	6339	7770	9588	11072	13112	14538
216	1127	2300	3481	4615	5600	6349	7785	9581	11128	13128	14561
218	1131	2313	3495	4622	5604	6360	7788	9590	11181	13144	14578
220	1135	2322	3501	4627	5610	6367	7814	9595	11202	13150	14591
224	1142	2330	3504	4641	5623	6377	7823	9609	11212	13155	14598
230	1145	2338	3521	4657	5637	6387	7832	9615	11218	13161	14622
232	1150	2345	3560	4662	5642	6396	7845	9622	11248	13168	14650
236	1166	2348	3593	4668	5645	6408	7863	9632	11276	13179	14654
244	1172	2363	3605	4685	5648	6414	7865	9652	11299	13182	14677
247	1179	2377	3622	4693	5656	6424	7875	9662	11309	13195	14700
253	1191	2387	3664	4704	5650	6431	7894	9686	11329	13204	14708
258	1201	2398	3673	4717	5654	6441	7895	9686	11388	13217	14725
260	1204	2420	3680	4726	5667	6451	7901	9697	11346	13228	14738
264	1220	2431	3688	4734	5674	6467	7906	9708	11368	13237	14776
266	1227	2442	3808	4743	5678	6557	7915	9720	11374	13248	14791
270	1231	2448	3841	4751	5680	6595	7922	9730	11398	13254	14802
277	1248	2453	3857	4762	5686	6600	7934	9733	11421	13261	14809
285	1268	2456	3862	4772	5691	6615	7942	9757	11431	13270	14827
287	1271	2465	3874	4781	5693	6629	7951	9761	11485	13277	14835
294	1283	2472	3882	4784	5695	6638	7958	9776	11525	13324	14841
311	1286	2477	3887	4788	5700	6654	7966	9784	11535	13330	14864
328	1292	2494	3891	4801	5707	6660	7977	9785	11540	13350	14898
330	1295	2498	3901	4825	5712	6663	7984	9808	11548	13357	14908
358	1304	2500	3907	4854	5718	6693	7998	9816	11556	13372	14914
365	1310	2506	3911	4856	5721	6704	8005	9822	11571	13381	14921
378	1316	2533	3913	4863	5726	6715	8012	9826	11577	13392	14972
381	1324	2534	3934	4872	5735	6720	8104	9868	11587	13400	14978
391	1327	2551	3942	4980	5743	6732	8141	9874	11598	13453	14995
398	1335	2559	3951	4991	5753	6742	8146	9886	11711	13463	15010
436	1336	2581	3980	5008	5768	6749	8154	9893	11731	13479	15022
480	1346	2597	3987	5012	5781	6761	8507	9904	11766	13490	15224
497	1352	2598	3998	5017	5792	6767	8523	9918	11790	13508	15228
508	1358	2615	4012	5021	5802	6770	8593	9933	11821	13518	15252
515	1370	2624	4038	5025	5807	6785	8843	9941	11836	13534	15263
521	1375	2651	4052	5046	5814	6787	8846	9968	11863	13547	15282
527	1377	2660	4062	5069	5821	6797	8626	10008	11894	13551	15298
531	1396	2664	4074	5081	5859	6802	8638	10016	11914	13562	15426
538	1400	2675	4088	5070	5876	6813	8652	10028	11934	13601	15442
543	1404	2688	4090	5074	5887	6850	8678	10047	11954	13611	15448
557	1432	2701	4095	5082	5892	6947	8692	10055	11994	13621	15475
564	1561	2713	4100	5088	5900	6986	8704	10078	12049	13638	15486
579	1602	2720	4106	5093	5910	6997	8708	10082	12065	13656	15504
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
883	1849	2980	4344	5344	[illegible]	7186	9052	10339	12357	13963	15667
887	1863	2985	4380	5348	6107	7191	9065	10349	12364	13973	15671
890	1868	2995	4415	5356	6112	7196	9075	10358	12397	13976	15681
902	1882	3002	4428	5357	6115	7212	9086	10368	12425	13981	15687
911	1855	3008	4431	5394	6121	7215	9089	10388	12428	14045	15694
927	1891	3020	4435	5422	6126	7221	9108	10401	12445	14085	15699
930	1900	3023	4440	5430	6131	7231	9112	10405	12448	14097	15719
934	1909	3032	4445	5437	6137	7240	9133	10420	12452	14176	15749
949	1918	3037	4451	5445	6140	7245	9145	10430	12465	14180	15769
962	1920	3054	4457	5462	6146	7255	9188	10444	12477	14196	15780
967	1931	3094	4468	5468	6151	7275	9212	10473	12487	14216	15782
970	1933	3105	4474	5470	6174	7284	9231	10513	12497	14242	15798
975	1937	3111	4481	5482	6180	7287	9240	10567	12509	14249	15846
978	1944	3117	4485	5487	6192	7291	9262	10584	12613	14280	15859

Holders of the above debentures should present and surrender them for redemption on or after July 15, 1979 with the January 15, 1980 and subsequent coupons attached at The Bank of Tokyo Trust Company, 100 Broadway, New York, N. Y. 10005, or at the offices of The Bank of Tokyo, Ltd. in London, Brussels and Paris, or the main offices of Mees & Hope in Amsterdam, Morgan Guaranty Trust Company of New York in Frankfurt, Banca Vonwiller & C. S.p.A. in Milan or Banque Generale du Luxembourg in Luxembourg. Coupons payable July 15, 1979 should be detached and collected in the usual manner.

Interest on the debentures so called for redemption will cease to accrue from and after the redemption date, to wit, July 15, 1979.

THE BANK OF TOKYO TRUST COMPANY
as Trustee.

June 14, 1979

NOTICE

The following coupon Bonds previously called for redemption have not as yet been presented for payment.

49	1373	2381	2660	3982	4841	5436	6130	6981	7671	9734	12413
82	1378	2385	2710	3983	4842	5452	6132	6991	7685	9797	12414
86	1437	2394	2712	3992	4954	5458	6228	6998	7690	9921	12422
88	1613	[illegible]	2714	3993	4959	5613	6246	7000	7658	9926	12427
137	1618	2402	2715	3997	4989	5667	6263	7064	7681	9927	12431
498	1627	2426	2730	4004	4992	5681	6275	7251	7776	9940	12432
698	1739	2427	2749	4129	5024	5744	6300	7252	7817	10133	12436
726	1740	2434	2778	4130	5047	5804	6328	7329	7833	10161	12484
742	2024	2452	3418	4626	5063	5806	6373	7367	8554	10162	12491
747	2192	2464	3672	4666	5084	5808	6421	7368	9011	10167	12492
895	2247	2470	3686	4667	5089	5809	6426	7394	9012	10272	12493
1219	2248	2485	3702	4672	5097	5819	6425	7418	9014	10283	12506
1290	2258	2557	3895	4673	5116	5868	6429	7419	9016	10294	15646
1300	2291	2563	3899	4707	5138	5895	6439	7422	9024	10427	15919
1302	2344	2591	3909	4736	5160	5902	6456	7496	9044	10428	17417
1303	2357	2620	3910	4737	5230	5931	6461	7502	9045	10429	17506
1367	2358	2631	3936	4794	5234	5950	6760	7505	9066	11237	18418
1371	2371	2643	3941	4795	5236	5957	6774	7512	9300	11707	18446
1372	2378	2646	3981	4839	5246	6090	6973	7521	9555	12094	

UK COMPANY NEWS

BIDS AND DEALS

Brammer to drop Morse Chain plan

H. Brammer, the power transmission and rubber products group, has dropped plans to pay about £4m for the UK power transmission Morse Chain division of Borg-Warner.

The two companies said yesterday that they have identified "irreconcilable contractual differences" and have therefore ceased negotiations.

The setback comes three months after Brammer announced a £3.48m rights issue to finance further expansion. At the time the directors specifically drew attention to negotiations with the U.S. corporation.

Mr. John Head, the chairman of Brammer, last night stressed that he was not embarrassed by the latest development. "We have ambitions for growth which go beyond Morse and we are actively seeking sensible acquisitions which are complementary to our existing interests both in the UK and overseas." In February Brammer paid about £1.44m for Pope Machinery Corporation, a move which has been seen as a springboard for further purchases in the U.S.

Mr. Head explained that the discussions with Borg-Warner had been made public at an early stage in order to avoid speculation.

On closer examination of the proposed deal, however, it became clear that links between Borg-Warner's Morse Chain division and Borg-Warner's UK automotive division posed difficulties.

"The problem was to separate the two when a number of their services were shared," said Mr. Head. "To do this would have required a substantial amount of additional capital and from the figures we received it was just not worthwhile."

Mr. Head stressed that Brammer will maintain its well established relationship with Borg-Warner as a major distributor of Morse Chain products in the UK.

BURRELL ON BID TALKS

Discussions with other companies both with a view to Burrell and Company being taken over and with a view to Burrell taking over others have been held in the last year, Mr. Michael Ashworth, chairman, told shareholders at the annual meeting.

Mr. Ashworth was referring to bid speculation which, he said, had been fuelled by the acquisition by Croda International of 8 per cent of Burrell's shares and by subsequent comment.

The matter, he added, was of understandable interest, but he assured shareholders that if there had at any time been anything significant to report they would have been the first to hear about it.

Mr. Ashworth said the present unprofitable state of the pigment colour industry was temporary and the medium and longer term prospects, for Burrell in particular, were good. "Putting it another way, in spite of the present rough ride we are quite capable of going it alone."

BMCT PLACES HABIT STAKE

Birmingham and Midlands Counties Trust has placed its 51 per cent stake in Habit Engineering with the management and various institutions. At the placing price of 28p BMCT raised £420,000 from the placing.

Habit, a specialist precision cutting tool manufacturer, was brought to market early in 1977 by Ferguson Securities, a private company owned by Mr. Graham Ferguson Lacey and Mr. Robert Cecil McBride, through Gloucester and Cheltenham Investments, a shell company. Ferguson has been renamed BMCT.

Mr. Ferguson Lacey explained yesterday that the management had approached him with a desire to invest itself in the company and to keep it independent. He had hopes of possibly merging Habit's interest with those of Brooks Tool Engineering in which BMCT currently holds around a quarter of the equity.

Mr Ferguson Lacey, Mr. McBride and Mr. D. C. Hathaway have now resigned as directors. Mr John Mayne, who has acquired 6.8 per cent of the shares, becomes the new chairman. Mr. W. Johnston, the chief executive, now holds 6.9 per cent.

The Takeover Panel has approved the placing.

Noyapara Tea recovering from Bangladesh drought

DROUGHT has affected the Noyapara Tea plantation in Bangladesh but, following good rainfalls in April, some improvement in the crop can be expected, Sir John Muir, Noyapara's chairman says in the last annual report to shareholders.

"In my statement last year I mentioned that the board was examining means of making a return of capital to shareholders," Sir John says. "While pursuing this possible course of action the directors received an approach from Rightwise."

The offer was £5 a share cash and certain shareholders, including James Finlay and Co (of which Sir John and another Noyapara board member, Mr. S. Caldwell are directors) plus Mr. C. L. Nelson and Mr. G. F. ...son (directors of Noyapara), have given irrevocable undertakings to accept the offer.

In the offer document, which accompanied the Noyapara annual report, Sir John says that the board "and your advisors, James Finlay Corporation, consider that the offer is fair and reasonable" and recommend its acceptance.

The Takeover Panel indicated last night that, in its view, James Finlay Corporation could be regarded as an independent adviser because James Finlay and Company has only 11.5 per cent of Noyapara's issued capital. In reaching its conclusion, the Panel took account of the fact that there were two James Finlay directors on Noyapara's board, including its chairman, Sir John Muir.

According to the takeover document, Rightwise intends to maintain and develop Noyapara's trading activities, which "in the view of Rightwise directors, will form a logical extension of and an attractive addition to Rightwise's existing operations in Bangladesh."

BARGET TALKS OFF

Barget, the furniture manufacturing company which has been trading at a loss, has ended discussions which might have affected shareholders' interests. Dealings in Barget shares which were suspended on May 23, are expected to resume today.

GOODKIND STAKE CHANGES HANDS

Mr. Stanley Wootliff, chairman of W. L. Pawson, the dress manufacturer, has bought a 20 per cent shareholding in W. Goodkind, the fur manufacturer and distributor.

His purchase of 200,000 shares in Goodkind was made at 18p a share, a total of £36,000.

Mr Wootliff is to become chairman of Goodkind.

He has acquired his 20 per cent holding from the Goodkind family trusts, which have disposed of a total of 299,000 ordinary shares representing 29.9 per cent of the capital.

Mr R. G. Henton, Mr. C. P. Frazer, and Mr. M. S. Binns have acquired stakes of 3.95 per cent, 3.95 per cent and 2 per cent from the trusts.

Mr. Henton and Mr. Frazer have been appointed to the Goodkind board.

The Goodkind family trusts are retaining 81,000 shares (8.1 per cent), while Mr. Harvey Goodkind, the former chairman of the group, Mr. D. Goodkind and their families have retained their beneficial shareholdings amounting to 280,650 shares (28 per cent) and have agreed to remain on the board.

REDIFFUSION SELLS HONG KONG OFFICE

Rediffusion (Hong Kong), a wholly-owned subsidiary of Rediffusion, has sold its former office building in central Hong Kong to Hutchison Properties for completion on September 3, 1979. The price of HK$71m (£6.7m) produces a surplus over book value of $66.7m.

The premises were put on the market when the company moved into its newly-completed building in Kowloon, Hong Kong, of which it occupies just under half, and the remainder of which was fully let before completion.

WILSON PECK

Wilson Peck, the loss making general retail music dealer, has agreed to sell the group indebtedness and share capital of its subsidiary Cressdene for £127,235. Cressdene is a non-trading property company.

Simons' £300,000 loss

AFTER FALLING to a near break-even position in the previous 15 months, Simons and Co., a fruit and vegetable wholesaler, has incurred a loss of £300,129 in the year ended December 30, 1978.

Mr. J. E. Simons warned last year that a loss was probable but the amount reported is much greater than had been anticipated. This was due to a further unexpected reduction in the number of stores served.

The chairman says that this has meant the closure of distribution depots no longer required and the freehold depot in Yorkshire was sold last month. Losses continued in the Spanish associate and this side has now been closed.

The distribution activities have been rationalised and trading results to date are in line with expectations. The chairman is confident that the current year will show a return to profitability for the group.

Turnover for the year amounted to £11.67m, against £16.85m for the previous 15 months. After a tax credit of £77,555 (£35,920 charge) and taking in a surplus on disposal of properties of £150,000 there is a net loss of £72,123 (£30,390).

The auditors have qualified their report on the accounts. They state that "financial statements have been drawn up on a going concern basis which in our opinion assumes that the necessary bank facilities will be continued and accordingly do not take account of adjustments, if any, which may be necessary if the group is unable to continue as a going concern."

The directors state that they have discussed the position with the company's bankers who have indicated their willingness to continue to provide facilities on the usual banking terms and conditions.

APPOINTMENTS

Group changes at TI

Mr. R. E. Utiger, managing director of British Aluminium, has been appointed a director of TUBE INVESTMENTS. Mr. Geoffrey C. Butcher and Mr. Robert C. Smith have become non-executive directors of British Aluminium. Mr. Butcher, who is also a director of Burmah Oil, recently retired from British Petroleum. Mr. Smith is chairman of Scottish United Investors. These appointments follow the increase of TI's share in British Aluminium to 58 per cent, and the placing of 42 per cent to the general public. Mr. Frank Ruhemann, a TI director and chief executive of the engineering division, is relinquishing his seat on the British Aluminium Board as one of TI's nominees, leaving the number of TI directors on the Board at three. Mr. Utiger joined British Aluminium in 1961 and has been managing director since 1968. He is also a director of the British National Oil Corporation.

★

Sir Arthur Norman and Sir Bernard Scott have been appointed non-executive directors of THOMAS TILLING. Sir Arthur is chairman of the De La Rue Company and Sir Bernard is chairman of Lucas Industries. Sir Charles Troughton has retired from the Board of Thomas Tilling to reduce his business commitments.

★

Mr. J. E. Wilson has been appointed deputy chairman of the TRUSTEE SAVINGS BANKS CENTRAL BOARD and Mr. L. Bolton joins that Board. Mr. Wilson, who is trustee of TSB of Northern Ireland, has also become a Board member of TSB TRUST COMPANY. Mr. Bolton is chairman of the Trustee Savings Bank of Tayside and Central Scotland. Mr. D. P. Thorn, general manager (finance) TSB Central Board, has been made a director of TSB Trust Company. The appointments of Mr. Wilson and Mr Bolton on the TSB Central Board, replace Mr. J. R. Archer and Mr. A. Archibald, respectively.

★

Mr. J. M. Barber has been appointed a director of INVESTORS CAPITAL TRUST. He is finance director of Christian Salvesen.

★

Mr. R. J. May, chairman of the Rubber and Plastics Footwear Group of the British Rubber Manufacturers' Association, is to become a member of the NEDO economic development committee for the footwear industry. He is at present general publicity and administration manager for Dunlop Footwear.

★

Mr. W. R. Alexander, chairman and managing director of Walter Alexander and a director of the Clydesdale bank and other companies, has been appointed a non-executive director of DAWSON INTERNATIONAL.

★

Mr. A. R. Nicol, a director of WIGHT CONSTRUCTION HOLDINGS, and of several companies within the group, has been appointed group chief executive.

★

Mr. T. E. H. Crawford, at present an assistant general manager MIDLAND BANK, has been appointed regional director, Preston. He succeeds Mr. I. M. Wills, who has become regional director, Manchester.

★

Mr. Robin Pegau has joined WACHERBARTH HARDMAN AND CO., Lloyd's brokers, as a director. He was formerly with H. Clarkson and Co. (Insurance Holdings) as a director of Head Walters and Co.

★

Mr. D. M. Kerr and Mr. K. J. Strase have been appointed deputy chairmen of STEWART WRIGHTSON UK GROUP.

★

Mr. [illegible] will retire as underwriter [illegible] service motor policies [illegible] FRIZZELL GROUP on [illegible] 1, 1980, and will be succeeded by Mr. K. J. Sharma. [illegible] underwriter will be Mr. [illegible].

★

Mr. John [illegible], SGB Group, has been appointed to the newly-created post of vice-president, SGB [illegible] of the U.S., and has taken up his new position in [illegible]. He was formerly [illegible] manager of SGB [illegible] division.

★

Mr. [illegible] has been appointed to the new post of [illegible] executive of BARCLAYS [illegible].

Barr & Wallace optimistic

A current year result similar to that achieved in 1978 is indicated for Barr and Wallace Arnold Trust by Mr. J. Malcolm Barr, the chairman, in his annual statement.

He says it is not possible to give a meaningful forecast of the year's result at this stage, in view of the seasonal nature of many of the group's activities.

Pre-tax profit for 1978 was up 53 per cent to a record £2.45m, which was better than forecast largely because of a very good final quarter in the motor division, probably assisted by the Ford strike. Turnover rose by 25 per cent to £59.35m—as reported May 9.

All three divisions made record profits which were:—leisure and holidays £1,308,000 (£834,000), motor distribution £960,000 (£582,000), and computer bureaux £335,000 (£305,000).

The group earned an estimated £2m in foreign currency through tourism services to overseas visitors to Britain.

On a current cost basis, pretax profit for the year is reduced to £1.74m against £0.95m in 1977.

Group fixed assets increased from £7.27m to £8.71m, while net current assets were ahead from £1.82m to £2.35m.

Meeting, Leeds, July 4, noon.

MINING NEWS

Selection Trust sets up Australian mining house

BY KENNETH MARSTON, MINING EDITOR

THE CREATION of a major Australian mining finance house with muscle and flexibility emerges from the London Selection Trust group's proposals for a *reorganisation of its Australian* interests.

The new company, **Seltrust Holdings**, with an issued capital of 69m shares of 50 cents, is to be initially 21.2 per cent owned by the public and 78.8 per cent by Selection Trust. The plans will involve a A$30m (£16m) rights issue.

The newcomer will have *assets of some A$170m (£91m)* covering the group's 60 per cent stake in the big new Agnew nickel mine; 60 per cent of the as yet undeveloped Teutonic Bore copper-zinc-silver deposit; the drillship "Regional Endeavour"; and the 5 per cent holding in the huge Mount Newman iron ore project.

Seltrust Holdings' role as a mining finance house, rather than as only a holding company, is underlined by the fact that in addition to existing exploration interests it will also have the right to participate to the extent of 75 per cent in the group's other exploration activities in Australia and will also be able to undertake all other future *mining business of the Selection* Trust group in that country.

Holders of **Selcast Exploration**—the group's only listed company in Australia in which there is a public ownership of 16.2 per cent—are to be given an exchange of "A" shares in Seltrust Holdings. For every 100 Selcast Exploration shares they will receive 20 Seltrust Holdings "A" shares plus A$20 in cash.

After this, there will be a rights offer in September of one "Z" share in Seltrust Holdings at A$2.50 for every "A" share held. Holders will also be allowed to apply for additional "Z" shares. The issue is to be underwritten by Schroder, Darling and Potter Partners, the latter firm also being brokers to the issue along with James W. Paterson and Son.

The "Z" shares will carry a fixed cumulative annual dividend of 17.5 cents, equivalent to a 7 per cent yield on the issue price. They will be convertible at any time into "A" shares on which no dividends are envisaged until the desired build-up of funds has been achieved.

Earnings of some A$14m for 1980 are expected for Seltrust Holdings on the basis of an average producer nickel price of U.S.$3.25 per lb (currently $3 *per lb) and a continuation of the* present U.S.-Australian exchange rate. Because of tax allowances, the company will have no tax liability for the first few years.

● **comment**

Selection Trust's latest move maeks a good deal of sense. Ostensibly a tidying-up operation which has tax advantages, it provides a powerful new vehicle for Australian domestic investment in the country's undoubted major mineral potential.

The rights issue, it will be noted, applies to "persons within Australia" having registered addresses in that country, this being apart from Selection Trust and others who acquire "A" shares under the scheme.

If it is argued that Australia's desire for a majority ownership *of domestic resources is not be*ing catered for by the relatively modest offer of just over 20 per cent in the new company, the answer must be that Australia may not have the resources, or the will, to take a larger slice of Seltrust Holdings at this stage.

Further opportunities might be offered to the Australians to increase their stake in Seltrust Holdings in due course.

Meanwhile, they may well be atracted by the group's enlarged prospecting scope in base-metals and diamonds—the A$ 30m to be raised will help finance the projected annual exploration spending of A$ 1m to A$1.5m—in addition to the potentially big earnings of the new Agnew mine.

Clearly, earnings of Seltrust holdings are set to expand in the 1980s. *The newcomer* could also have a degree of autonomy in that its financial dependence on the parent Selection Trust will lessen, but it may still be subject to a fair amount of policy control from the parent and its chairman may also be Selection Trust's Mr. John Du Cane.

While nothing is certain in mining, *new flotations* are almost always worth taking up and while holders of the "Z" shares being offered may have to put up with a fixed return for the first two or three years before it is worth converting into the "A" shares, their patience could be well rewarded in the later 1980s.

Reserves double at Hemerdon

EXPLORATION AT Hemerdon Ball, the tungsten-tin prospect near Plymouth, is moving into a new phase backed by a new financial commitment from **Amax Exploration** and in the knowledge that indicated reserves have more than doubled in the last year.

Mineralisation is 45m tonnes, compared with 20m tonnes in April 1978, grading 0.17 per cent tungsten and 0.025 per cent tin, Amax Exploration said yesterday. The company is a subsidiary of Amax of the U.S. and is managing a joint venture in which the other partner is **Hemerdon Mining and Smelting.**

Previous drilling reports from Amax had revealed the extension of mineralisation down to 100 metres, about 80 metres deeper than drilling had gone in the years before World War Two, when the deposit was investigated prior to limited exploitation. The present exploration programme has gone down to 200 metres.

The Amax-Hemerdon programme is moving into a fourth phase involving a feasibility study, which will embrace not only further technical analysis but a survey of marketing and financing prospects and a pilot ore treatment plant. The work will take up to three years.

So far Amax has spent $3.6m (£1.7m) at Hemerdon Ball and now expects to pay between $6m and $8m for the feasibility study.

This suggests that up to $12m could be spent on deciding whether Hemerdon Ball is an economic proposition, and is about double the amount Amax indicated it would be prepared to commit when it entered the joint venture at the end of 1977.

Although part of the increase *may be attributed to a general* rise in costs and, latterly, a much *clearer idea of the cost of a pilot* plant, the extended commitment reflects the encouragement drawn from the earlier phases of exploration.

Tenders for the pilot plant have been called and a contract could be let shortly. The plant will test the means of separating the tungsten and tin devised in UK and U.S. laboratories following bench scale work on metallurgical processes.

The previous attempt to exploit the deposit was only a limited success largely because it was not possible to devise a metallurgical technique, to extract the tungsten and tin from the china clay prevalent near the surface of the deposit, which ensured a high recovery rate.

The Amax-Hemerdon pilot plant will take bulk samples of ore gleaned from underground development of the deposit.

GETTY MAY KEEP JABILUKA STAKE

Getty Oil could retain its 35 per cent interest in the Jabiluka uranium deposit under the Australian Government's new ownership guidelines, according to Mr. Tony Grey, the chairman of **Pancontinental Mining**, which owns the other 65 per cent.

Under certain circumstances the Australian Government has relaxed the requirement for 75 per cent domestic ownership of uranium projects.

Mr. Grey's comments, made in Sydney yesterday, are in tune with the feeling generally expressed immediately after the Government changed its guidelines, thus allowing **Western Mining Corporation** to proceed with its Yeelirrie joint venture with **Exxon and Urangesellschaft.**

But Pancontinental would still have to see whether anyone would buy 10 per cent of the Jabiluka venture, thought to be the world's biggest potential uranium mine. The time to do this would be when Jabiluka had received export approvals from the Government, Mr. Grey said.

If efforts to reduce the interest were unsuccessful, Getty could retain its present stake, Mr. Grey added.

Pancontinental is soon expected to present its revised environmental impact statement for Jabiluka to the Government. The company's shares were down 50p at 700p in London yesterday.

PACIFIC COPPER BOOSTS STAKE IN TORRINGTON

Pacific Copper is to acquire the stake in the Torrington wolfram project, in New South Wales, held by **St. Joe (Torrington)**, a subsidiary of St. Joe Minerals of New York. No terms have been specified. This brings the Pacific Copper interest up to 92.5 per cent.

Mr. Peter Gibb, the chairman, told the Sydney stock exchange yesterday that the arrangements had been made as he advised that the first shipment of wolfram concentrates would leave the mine during this month. The customer is **BOC**, the UK group.

St. Joe, which acquired its stake only last August, is the second of Pacific Copper's joint venture partners to withdraw from Torrington in the past seven months. In December **Hampton Gold Mining Areas** of London sold its 10.67 per cent stake to Pacific Copper.

Pacific Copper, the Australian affiliate of **Pacific Copper Mines** of Canada, has itself been the subject of ownership changes. The **Consolidated Press** group, *run by Mr. Kerry Packer of tele*vision and cricket fame, built up its stake to 28 per cent from 21 per cent last year.

Against the background of these corporate shifts, the new crushing and concentrating plant at Torrington has been brought into production and is working, Mr. Gibb said, "in alignment with scheduled operating targets." The shares yesterday were down 7p at 73p.

Benzol recovers to £1.3m profit

A RECOVERY in taxable profits and a substantial increase in the dividend are reported by **British Benzol Carbonising**, coke and smokeless fuel manufacturer.

Pre-tax profits rose from £792,000 to £1.25m in the year to March 31, 1979, which compares with the record £1.39m in 1976-77. The net final dividend of 1.5p per 10p share hoists the total to 2p, against a single payment of 0.5974p last time, reflecting the removal of dividend restraints.

At midway, the surplus was higher at £275,000 (£133,000), and the directors expected the encouraging performance to be maintained through the remainder of the year.

The current year has opened satisfactorily and in line with budgeted expectations, the directors say. However, national and international conditions continue to provide an unsettled trading climate, but they are confident the company will make progress by internal development and acquisition.

The directors add that they intend to pursue a policy of steady improvement in dividend payments.

Sales for the year were ahead at £18.26m, against £15.38m. After tax of £257,000 (£150,000), earnings per share are shown to have risen from 6.8p to 10.5p. Attributable profit came through at £995,000 (£339,000).

	1972/79 £'000	1977/78 £'000
Sales	18,264	15,377
Home	17,398	13,742
Export	866	1,635
Profit before tax	1,254	792
Tax	257	150
Net profit	997	642
Attributable	995	339
Dividends	189	56

SSAP 15 has ben adopted, resulting in a £786,000 credit. As part of this policy, capital expenditure is at a higher level than in recent years. Improved cash management has produced a cash inflow compared with a substantial outflow last time.

Througout the year, there has been a fairly steady improvement in demand for all grades of coke and coal by-products. The depressed state of the steel industry worldwide, however, has adversely affected selling prices and the company's ability to pass on in full increased costs.

Export possibilities have been, and will continue to be, restricted until there is a pick-up in the European steel industry.

● **comment**

British Benzol's mercurial record continued last year with a 58 per cent profits rise from a low base. Thanks to the oil crisis, there has been a steady improvement in demand for industrial fuels in the home market but this was offset to some extent by continuing difficulties in the European steel industry, which depressed exports. Apart from the respectable profits rise, the company is taking advantage of the absence of dividend restraint to pay 2p net — an increase of 235 per cent. This boosts the yield to 6.7 per cent while the p/e is 4.2 at 46p, or 7.0 fully taxed—a rating which reflects the uncertainties ahead.

Alliance Invest. up to £0.72m

TAXABLE revenue of **Alliance Investment Company** increased from £591,784 to £716,324 in the year to April 30, 1979.

After tax of £267,098 (£222,668), earnings per 25p share are shown to have risen from 3.09p to 3.8p. The net final dividend of 2.7p lifts the total from 3p to 3.75p.

Net asset value is given higher at 164.8p compared with 139.2p last time.

Rowlinson slumps to £56,000

BAD weather and transport problems resulted in a second-half loss of £52,332, against a £392,935 profit last time, at **Rowlinson Constructions Group**, building and civil engineering contractor and property developer.

This means profits are down from £996,835 to £55,868 in the year to March 31, 1979. At midway, the surplus was lower at £108,200 (£603,900), and the directors expected a similar second half.

The dividend is effectively maintained at 0.60625p, with a 0.425p final. After tax of £29,456 (£516,952), net profit came through at £26,412 compared with £479,883.

The directors say the industrial and commercial properties revaluation has increased their value by £3.4m which has raised net asset value to 58p (31p).

Bad weather hits Mowlem UK contracts

Bad weather in the first four months of the year had affected home contracts of **John Mowlem and Company**, Sir Edgar Beck, chairman, told shareholders at the annual meeting.

In spite of his earlier hope for modest progress, the chairman said there must be some doubt whether the group could recoup the lost ground.

In the last full year, taxable profits of the construction group slipped from £6.13m to £5.92m.

Referring to the increasing diversity of the group, the chairman said there had been an eight-fold rise in non-construction profits since 1974.

Debenture exchange by Lonrho

LONRHO proposes to exchange the existing debenture stocks of subsidiaries London City and Westcliff Properties, AVP Properties and Dunford and Elliott for new Lonrho stock. On a £1 for £1 basis the exchanges are:—

For the LCW £5m 9½ per cent stock 1997-2002—10½ per cent Lonrho stock; for the outstanding AVP £1.37m 7½ per cent stock 1986-91—7½ per cent stock; for the D and E £121,264 8½ per cent stock 1993-98 and the D&E £2.36m 8¾ per cent stock 1987-92—9 per cent stock 1987-92; for the D & E £810,000 12 per cent stock 1985-90—12½ per cent stock; and for the £1.77m D&E 12½ per cent stock 1980-83—12½ per cent new Lonrho stock.

The exchanges will require sanction by holders and will be conditional on the new stocks being listed. The exchange of the 12½ per cent stock of D&E will also require to be sanctioned by holders of the 8 per cent unsecured loan stock and the 8 per cent convertible unsecured *loan stock of Lonrho.*

Lonrho and subsidiaries have been advised by Keyser Ullmann.

SCOTTISH METRO.

Scottish Metropolitan Property announces that acceptances have been received for 6,425,553 ordinary shares representing some 96.9 per cent of the 6,628,254 ordinary shares offered by rights.

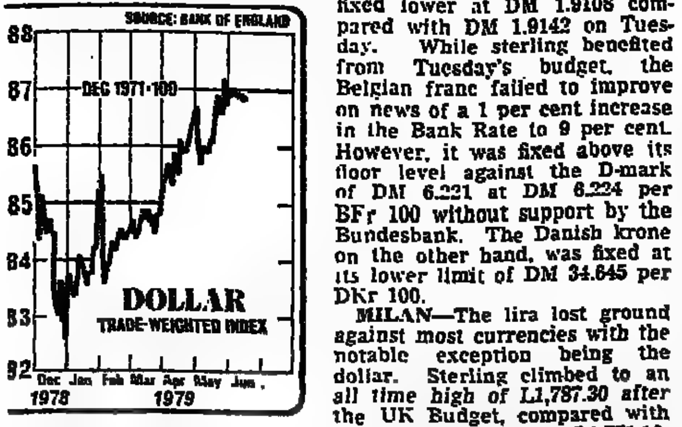
Shares not taken up have been sold and the net premium of about 8.9p per share, will be distributed to the provisional allottees originally entitled thereto.

مكتبة الأصل

CURRENCIES, MONEY and GOLD

Sterling firm

Activity in yesterday's foreign exchange market centred on the rise in sterling, following Tuesday's budget. Demand for sterling showed through for most of the day, and despite intermittent attempts by the Bank of England to stem the rise, sterling showed a firmer tendency against most major currencies. This was reflected in



its trade weighted index, which rose sharply to 68.6 from 68.0, having stood at 68.3 at noon and in the morning. Against the dollar it opened at the lowest point for the day at $2.0930-2.0940 and rose steadily to touch a high point, helped by demand from the U.S., at $2.1140-2.1150 before closing at $2.1035-2.1045, a rise of 1.25 cents from Tuesday and its highest closing rate since December 1975.

The dollar tended to trade on the side lines for most of the day with most transactions taking place within a very narrow range. Against the D-mark it finished at DM 1.9095 against DM 1.9087½ and SwFr 1.7300 from SwFr 1.7312½ against the Swiss franc. The dollar was also firmer against the yen and finished at Y220.20 compared with Y219.75 on Tuesday. On Bank of England figures the dollar's trade weighted index eased slightly to 86.8 from 86.9.

FRANKFURT—There was no intervention by the Bundesbank yesterday when the dollar was fixed lower at DM 1.9108 compared with DM 1.9142 on Tuesday. While sterling benefited from Tuesday's budget, the Belgian franc failed to improve on news of a 1 per cent increase in the Bank Rate to 9 per cent. However, it was fixed above its floor level against the D-mark of DM 6.221 at DM 6.224 per BFr 100 without support by the Bundesbank. The Danish krone on the other hand, was fixed at its lower limit of DM 34.645 per DKr 100.

MILAN—The lira lost ground against most currencies with the notable exception being the dollar. Sterling climbed to an all time high of L1,787.30 after the UK Budget, compared with Tuesday's fixing of L1,771.10. The dollar eased to L853.05 against L854.55 while the D-mark rose to L446.46 from L446.25.

TOKYO — The dollar rose slightly yesterday against the yen and closed at Y219.875 compared with Tuesday's rate of Y219.40. An increase in Japanese imports as well as a rise in wholesale prices were seen as the two main reasons behind the dollar's improvement, and after opening at Y219.70, the U.S. unit touched Y220.15 where buying interest tailed off. Trading was rather quiet with $583m dealt in the spot market, $359m in forward trading and swap transactions accounting for $1,097m.

THE POUND SPOT AND FORWARD

June 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0930-2.1150	2.1035-2.1045	0.86-0.76c pm	4.62	1.92-1.82 pm	3.56
Canada	2.4550-2.4700	2.4640-2.4650	0.73-0.63c pm	3.31	1.60-1.50 pm	2.52
Nethlnd.	4.37½-4.42½	4.39⅞-4.40⅞	2¼-1¾c pm	6.13	6½-5½ pm	5.11
Belgium	64.20-64.65	64.43-64.53	32-22c pm	5.02	68-58 pm	3.91
Denmark	11.53-11.61	11.58-11.59	4¼-2¾ore pm	3.37	5½-3½ pm	1.55
Ireland	1.0590-1.0680	1.0655-1.0665	3-13p dis	−0.90	45-55 dis	−1.88
W. Ger.	3.99-4.03½	4.01¼-4.02½	3½-2½pf pm	8.96	8¾-7¾ pm	7.71
Portugal	104.00-105.00	104.60-104.90	20-80c dis	−5.73	125-225 dis	−6.68
Spain	138.35-139.25	138.85-139.10	30c pm-20c dis	0.43	40 pm-10 dis	0.43
Italy	1,785-1,798	1,792-1,794	4½-2½lire pm	2.34	6¼-4¾ pm	1.17
Norway	10.88-10.96	10.92½-10.93½	5-3ore pm	4.39	13½-11½ pm	4.57
France	9.26-9.32	9.29-9.30	3¼-2¼c pm	4.20	7½-6½ pm	2.96
Sweden	9.18½-9.24	9.21½-9.22½	5-3ore pm	5.21	11-9 pm	4.34
Japan	458-466	462¼-463¼	3.75-3.35y pm	9.20	9.25-8.75 pm	7.77
Austria	29.35-29.75	29.57-29.67	25-15gro pm	8.10	55-45 pm	6.75
Switz.	3.62-3.65½	3.63½-3.64½	4½-3½c pm	13.87	11¼-10¼ pm	11.81

Belgian rate is for convertible francs. Financial franc 66.90-67.00. Six-month forward dollar 3.00-2.90c pm; 12-month 5.00-4.85c pm.

THE DOLLAR SPOT AND FORWARD

June 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0930-2.1150	2.1035-2.1045	0.86-0.76c pm	4.62	1.92-1.82 pm	3.56
Ireland†	1.9700-1.9775	1.9725-1.9775	0.80-0.60c pm	4.25	2.60-2.30 pm	4.96
Canada†	85.22-85.35	85.32-85.35	0.10-0.08c pm	1.26	0.21-0.18 pm	0.91
Nethlnd.	2.0920-2.0940	2.0920-2.0940	0.35-0.25c pm	1.72	0.90-0.80 pm	1.62
Belgium	30.65-30.68½	30.65-30.66½	2-½c pm	0.49	5-2 pm	0.46
Denmark	5.5060-5.5125	5.5060-5.5075	0.20-0.70ore pm	0.98	1.90-2.40 pm	1.56
W. Ger.	1.9090-1.9110	1.9090-1.9100	0.78-0.68pf pm	4.59	2.10-2.00 pm	4.29
Portugal	49.76-49.90	49.76-49.84	35-45c dis	−9.64	90-130 dis	−8.83
Spain	66.02-66.15	66.02-66.06	30-30c dis	−4.54	50-60 dis	−3.33
Italy	852.40-853.30	852.40-852.80	1.00-1.50lire dis	−1.76	4.00-4.75dis	−2.05
Norway	5.1943-5.2060	5.1943-5.1953	par-0.40ore dis	−0.46	1.50-1.10 pm	1.00
France	4.4170-4.4270	4.4170-4.4190	0.08-0.18c dis	−0.35	0.65-0.85pm	−0.68
Sweden	4.3820-4.3840	4.3825-4.3835	0.35-0.15ore pm	2.28	1.05-0.85 pm	0.87
Japan	219.65-220.10	219.90-220.10	0.86-0.76y pm	4.42	2.30-2.15 pm	4.04
Austria	14.080-14.085	14.080-14.085	4.60-4.10gro pm	3.71	13-11.5 pm	3.48
Switz.	1.7295-1.7324	1.7295-1.7305	1.24-1.19c pm	8.43	3.63-3.58 pm	8.33

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

June 12	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.611992	0.634386
U.S. $	9½	1.26817	1.31699
Canadian $	11¼	1.48972	1.54785
Austria Sch.	3¾	17.8970	18.5892
Belgian F.	8	39.0026	40.5384
Danish K.	8	7.00283	7.27173
D mark	4	2.42753	2.52242
Guilder	7	2.66125	2.76396
French Fr.	9½	5.62021	5.83819
Lira	10½	1083.66	1125.69
Yen	4¼	277.095	289.566
Nrwgn. K.	7	6.60526	6.86622
Spanish Pes.	8	83.9123	87.0988
Swedish Kr.	6½	5.57018	5.78657
Swiss Fr.	1	2.19926	2.28536

CURRENCY MOVEMENTS

June 13	Bank of England Index	Morgan Guaranty changes %
Sterling	68.6	−35.9
U.S. dollar	86.8	−6.9
Canadian dollar	81.1	−16.9
Austrian schilling	144.5	+18.2
Belgian franc	112.6	+12.7
Danish kroner	112.4	+1.9
Deutsche Mark	149.5	+41.5
Swiss franc	193.0	+79.9
Guilder	122.7	+18.3
French franc	98.1	−7.5
Lira	54.6	−48.9
Yen	151.8	+30.5

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

June 13	£	$		£ Note Rates
Argentina Peso	2.7001-2720	1282-1292	Austria	29-30
Australia Dollar	1.9000-1.9040	0.9020-0.9040	Belgium	66¼-67¼
Brazil Cruzeiro	53.53-54.53	25.40-25.90	Denmark	11.53-11.65
Finland Markka	8.41½-8.42½	3.9980-4.0000	France	9.22-9.32
Greek Drachma	76.896-78.754	36.50-37.55	Germany	3.95-4.05
Hong Kong Dollar	10.762-10.780	5.1200-5.1250	Italy	1,760-1,800
Iran Rial	152-160	72½-75½	Japan	457-467
Kuwait Dinar (KD)	0.578-0.588	0.2785-0.2788	Netherlands	4.35-4.45
Luxembourg Frc.	64.43-64.53	30.64-30.66	Norway	10.87-10.97
Malaysia Dollar	4.6450-4.6560	2.2115-2.2150	Portugal	101-108
New Zealand Dlr.	2.0085-2.0145	0.9535-0.9565	Spain	136½-139½
Saudi Arab. Riyal	7.07-7.17	3.4000-3.4010	Switzerland	3.55-3.65
Singapore Dollar	4.65-4.64	2.2029-2.2056	United States	2.10-2.11
Sth. African Rand	1.77-1.78	0.8400-0.8450	Yugoslavia	41½-43½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.5644	+2.80	+1.74	±1.53
Danish Krone	7.08592	7.28348	+2.79	+1.73	±1.635
German D-Mark	2.51064	2.52559	+0.60	−0.47	±1.1325
French Franc	5.79831	5.84938	+0.88	−0.18	±1.35
Dutch Guilder	2.72077	2.76734	+1.71	+0.65	±1.5075
Irish Punt	0.662638	0.670937	+1.25	+0.19	±1.665
Italian Lira	1148.15	1127.45	−1.80	−1.80	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

June 13	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	2.104	4.019	463.3	9.295	3.640	4.404	1793.	2.466	64.48
U.S. Dollar	0.475	1.	1.910	220.2	4.418	1.750	2.093	852.2	1.172	30.65
Deutschemark	0.249	0.524	1.	115.3	2.313	0.906	1.096	446.2	0.613	16.04
Japanese Yen 1,000	2.159	4.542	8.675	1000.	20.06	7.866	9.506	3870.	5.321	139.2
French Franc 10	1.076	2.264	4.324	498.4	10.	3.916	4.738	1929.	2.652	69.37
Swiss Franc	0.275	0.578	1.104	127.3	2.554	1.	1.210	492.6	0.677	17.71
Dutch Guilder	0.227	0.478	0.915	105.2	2.111	0.827	1.	407.2	0.560	14.64
Italian Lira 1,000	0.558	1.173	2.241	258.4	5.184	2.030	2.456	1000.	1.375	35.96
Canadian Dollar	0.406	0.854	1.630	187.9	3.771	1.477	1.787	727.4	1.	26.16
Belgian Franc 100	1.551	3.265	6.233	718.4	14.42	5.645	6.830	2781.	3.823	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.20-10.30 per cent; three months 10.15-10.25 per cent; six months 10.05-10.15 per cent, one year 9.80-9.90 per cent.

June 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12-12½	10¼-10⅜	9½-10½	7½-8½	[illegible]	5⅛-5½	8-8¼	10-11	—	2½-4½
7 days' notice	12-12½	10¼-10½	9½-10½	7½-8½	[illegible]	5⅛-5⅜	9-9½	10½-11½	10¼-10½	3½-5
Month	13⅞-14⅛	9⅜-9⅞	10⅝-11	8-8¼	1¼-1⅞	5½-6	10⅛-10⅜	11½-12½	9⅞-9⅞	4¼-5½
Three months	13⅝-13⅞	10-10⅛	10⅛-11	8⅛-8⅜	[illegible]	6-6½	10⅝-11	12-13	10-10⅛	5¼-5¾
Six months	13-13¼	10-10⅛	10⅝-11	9-9¼	[illegible]	6½-6⅝	10⅞-11⅞	12½-13½	10-10⅛	6-6½
One year	12⅞-13¼	9⅞-10⅛	10⅛-10⅜	9-9¼	2⅞-3	6⅞-7	11-11¼	13-14	9⅞-10⅛	6¼-6⅞

Long term Eurodollar deposits: two years 9⅝-9⅞ per cent; three years 9[illegible] per cent; four years 9⅝-9¾ per cent; five years 9⅝-9¾ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgian Bank Rate 9%

The Belgian National Bank has raised its discount rate and Lombard rate to 9 per cent from 8 per cent. This is the third increase in the discount rate since the beginning of last year when the rate stood at 6 per cent, and reflects the continued pressure on the Belgian franc in the European Monetary System. The currency has been only just above its lowest permitted level against the D-mark this week, but only after sales of around DM 60m by the Belgian central bank on Monday, followed by about DM 40m on Tuesday. Support for the franc was maintained yesterday with market sources suggesting that the National Bank "is bent on protecting the franc at all costs."

Lending spreads widened on interest rates for the Belgian franc with one month quoted at 8¾-8⅞ per cent, compared with 8⅛-8⅞ per cent, three-month at 9⅛-9⅜ per cent, compared with 9⅛-9¾ per cent; and six and 12-month at 9⅝-9⅞ per cent, against 9⅝-9⅞ per cent.

NEW YORK—Interest rates declined, as Continental Illinois followed Tuesday's move by Morgan Guaranty and one or two other banks in reducing its prime lending rate to 11½ per cent from 11¾ per cent. Yields on 13-week Treasury bills fell to 8.84 per cent from 8.99 per cent in early trading, and to 8.85 per cent from 9.01 per cent on 26-week bills. Federal funds eased to 10¼ per cent from 10⅜ per cent.

PARIS—Day-to-day money was unchanged at 7¾ per cent; one-month at 8⅛-8¼ per cent; three-month at 8⅜-8½ per cent; and six-month at 8¾-9 per cent. 12-month funds rose to 9⅛-9¼ per cent from 9⅛-9¼ per cent.

FRANKFURT — Call money was 5.50-5.55 per cent, compared with 5.50-5.60 per cent, while one-month rose to 5.95-6.05 per cent from 5.80-6.00 per cent, and three-month to 6.55-6.60 per cent from 6.40-6.50 per cent. Six-month funds were quoted at 6.90-7.00 per cent, compared with 6.80-7.00 per cent, and 12-month fell to 7.20-7.40 per cent from 7.30-7.50 per cent.

AMSTERDAM—Money market rates showed little change, with call money unchanged at 7¼-7¾ per cent; one-month at 8¼-8½ per cent; three-month at 8⅜-8⅝ per cent; while six-month fell to 9-9¼ per cent from 9⅛-9⅜ per cent.

HONG KONG—The money market was easy, with call money at 11¾ per cent, and overnight at 10¾ per cent.

GOLD

Further fall

Gold continued to lose ground in the London bullion market yesterday, and it closed $1½ an ounce down at $276½-277½. Trading was described as rather dull and the metal traded within a narrow range. The Krugerrand's premium over its gold content was calculated at 2.93

	June 13	June 12
Gold Bullion (fine ounce)		
Close	$276½-277½	$278-278½
	(£131.3-131.6)	(£132.8-133.2)
Opening	$276½-277½	$280½-281½
	(£131¾-132.3)	(£133¾-133.9)
Morning fixing	$276.10	$278.90
	(£131.727)	(£134.780)
Afternoon fixing	$276.60	$277.75
	(£131.264)	(£133.901)
Gold Coins, domestically		
Krugerrand	$283-287	$286½-290½
	(£134½-136)	(£138-140)
New Sovereigns	$71½-73½	$72½-74½
	(£34-35)	(£34½-35½)
Old Sovereigns	$88-90	$88-90
	(£41½-42½)	(£42-43)
Gold Coins, internationally		
Krugerrand	$284-286	$287-289
	(£134½-135½)	(£137½-138½)
New Sovereigns	$71½-73½	$71½-73½
	(£34-35)	(£34½-35½)
Old Sovereigns	$90-92	$90½-92½
	(£42½-43½)	(£43-44)
$20 Eagles	$369-377	$400-405
$10 Eagles	$225-228	$225-228
$5 Eagles	$156-165	$155-168

per cent both domestically and internationally, reflecting Tuesday's announcement that controls on gold coins would be abolished.

In Paris the 12½ kilo bar was fixed at FFr 41,300 per kilo ($290.19 per ounce) compared with FFr 41,400 ($290.95) in the morning and FFr 41,600 ($291.95) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 16,965 per kilo ($276.14 per ounce) against DM 17,140 ($278.55) previously.

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Yesterday credit was in good supply in the London money market yesterday, but conditions are expected to be much more difficult today as settlement is made of the heavy amount of gilt-edged stock purchased from the authorities. The Bank of England absorbed surplus funds by selling a moderate amount of Treasury bills to the discount houses.

Banks brought forward surplus balances, there was a small decline in the note circulation, and Government disbursements were slightly in excess of revenue payments to the Exchequer. On the other hand there was a small net takeup of Treasury bills to finance, and repurchase of a small amount of eligible bank bills.

Discount houses paid 11½-12¼ per cent for secured call loans at the start, and although houses took funds at 11¼-12¼ per cent during the day, closing balances were found at about 12 per cent.

In the interbank market overnight loans opened at 12½-13 per cent and eased to 11-11½ per cent, before closing at 11½-13 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

June 13 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
[illegible]						12-[illegible]	11½-12¼	—	—	—
Overnight	—	11-13				—	—	—	—	—
2 days notice			13¼-13½		—		—	—	—	—
7 days or 7 days notice		13½-14⅛	13½-13⅝		14⅛		13½-13¾	—	—	—
One month	14-13	13⅝-14⅛	13¾-13⅞	13½-12⅞	14⅛		13¼	13-13¼	14¼	14½
Two months	14-13¾	13⅞-14⅛		13¼-13	14⅛		13½	13	13⅞	14½
Three months	13-13	13-13¼	13½-13⅝	13	14¼		13-13¼	13	13½-13⅝	14
Six months	12-12	13-13¼	13-13⅛	12[illegible]	15		—	—	12½-12	13
Nine months	[illegible]	12⅞-13	—	12-11⅞	15¼		—	—	—	—
One year	12[illegible]	12[illegible]	12½	12-11½	15	—	—	—	—	—
Two years	—	—	12-12½	—						

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 12-12½ per cent; four years 12-12½ per cent; five years 12⅛-12½ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 13⅝-13¾ per cent; four-months trade bills 14½ per cent.

Approximate selling rate for one-month Treasury bills 13⅛-13⅜ per cent; two-months 13⅛-12⅞ per cent; three months [illegible] per cent. Approximate selling rate for one-month bank bills 14 per cent, two month 13¾-13⅝ per cent; three-month [illegible] per cent; one-month trade bills 14½ per cent; two-month 14¼ per cent; and three-month 13⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12 per cent from June 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 9-9½ per cent. Clearing Bank Rates for lending [illegible] per cent. Treasury Bills: Average tender rates of discount 11.4209 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.35
Treasury Bills (13-week)	8.84
Treasury Bills (26-week)	8.85

GERMANY

Discount Rate	4
Overnight Rate	5.525
One month	6.00
Three months	6.575
Six months	6.95

FRANCE

Discount Rate	9.5
Overnight Rate	7.75
One month	8.1675
Three months	8.5325
Six months	8.9375

JAPAN

Discount Rate	4.25
Call (Unconditional)	5.1575
Bills Discount (three-mth.)	5.75

NORTH AMERICAN NEWS

Optimism at Consolidated-Bathurst

MONTREAL — Estimates by stock market analysts that Consolidated-Bathurst, the newsprint and paper group, will earn between C$3.45 and C$3.75 a share this year "aren't bad," said Mr. William Turner, president and chief executive.

He stressed, however, that the earnings outlook is linked to the values of the Canadian dollar and the West German mark.

The company does much of its business in U.S. dollars which are then converted into Canadian dollars. Also, Consolidated-Bathurst has a large packaging unit in West Germany—Europa Carton—based in Hamburg.

Earnings estimates assume that Canadian and West German currencies will not change much from current levels.

In 1978 Consolidated-Bathurst had operating earnings of C$59.1m or C$2.60 a share on sales of C$1.08bn. An extraordinary gain from the sale of Price Company shares boosted net income to C$60.7m or C$2.67.

Operating earnings in the first quarter this year were C$18.7m, or 80 cents on sales of C$279.3m. After a recovery of income taxes from prior years' losses, final net was C$19.2m or 82 cents.

The continuing recovery of the pulp business was a good sign for other segments of the pulp and paper industry, according to Mr. Turner.

Demand for newsprint in North America was exceeding supply, and this had kept Consolidated-Bathurst's mills running at full capacity. The company had shipped a record 106,000 tonnes of newsprint in May.

A second newsprint price increase this year was in the offing, Mr. Turner suggested, probably in the autumn.

Prices for speciality papers were continuing to rise "and this is usually a harbinger for other price moves."

He also cited rising energy costs and pressure from higher prices charged by Scandinavian producers for newsprint sold in Britain.

The last price increase, on February 1, sent newsprint sold in the U.S. up by $25 a tonne to $345. In Canada, the price was raised to C$370 a tonne from C$339.50.

Consolidated - Bathurst is spending C$75m on capital improvements this year, up from C$48m in 1978, with concentration on improved efficiency of existing equipment.

Last year 163,000 tonnes of capacity was added at Canadian newsprint mills with Consolidated-Bathurst putting in 52,000 tonnes or 32 per cent. The company accounts for 10 per cent of total Canadian capacity of some 9.1m tonnes.

On acquisitions, Mr. Turner said: "We're always looking and we're always asked if we want to make a move into certain areas, but there's nothing to report." He added, however, that Consolidated - Bathurst "wouldn't rule out" acquiring more shares of the Toronto-based Abitibi Paper — North America's largest newsprint producer. Last November Consolidated-Bathurst acquired a 9.4 per cent interest in Abitibi for "investment purposes only."

AP-DJ

Ashland Oil buys option for 3m NLT shares

By David Lascelles in New York

ASHLAND OIL, the highly individualistic independent oil company which recently sold off most of its oil properties, yesterday made a sally which indicates how it plans to use at least part of the proceeds. It announced from its headquarters at Ashland, Kentucky, that it had an option to buy from American General Insurance about 3m shares in NLT Corporation at $30 a share—implying a deal worth about $90m.

NLT is a Nashville-based insurance holding company with a strong position in the south-west. Among its assets it boasts Great Southern Corporation (an insurance underwriter which it acquired in February for $280m) and the Grand Old Opry House, the Nashville concert hall revered by millions as the shrine of Country and Western music.

NLT has about 35m shares outstanding, meaning that if Ashland exercises its options it will end up holding about 8.5 per cent of the company.

Ashland has until September 14 to exercise its options, and if it does go ahead, American General has the right to require Ashland to buy 307,000 more shares at the same price within 90 days. Ashland will pay the purchase price 25 per cent in cash and 75 per cent in subordinated notes.

In a brief comment on this step, Ashland said it had not yet decided whether to exercise the option, and this would depend on whether a "combination" of Ashland and NLT seemed practical.

There has been considerable speculation about how Ashland would spend the more than $1bn it reaped from its asset disposal and restructuring. So far, the only major step announced was its share repurchase programme which has a current target of 6m shares.

Fourth quarter loss for J. Ray McDermott

By Our New York Staff

J. RAY McDERMOTT, the large engineering group which includes Babcock and Wilcox, last night reported a loss for the fourth quarter of $29.5m against a profit of $17.1m (53 cents a share) in the same period last year. Revenues were $804.5m, compared to $221m

This was the first reporting period in which figures for Babcock and Wilcox acquired in 1977, were fully consolidated. However, since the period ended on March 31, it would not have reflected the full impact of the accident at the Three Mile Island nuclear plant which Babcock and Wilcox helped design and build.

J. Ray McDermott did say, however, that the quarter carried a $43m charge in connection with the relocation of certain operations abroad and "warranty and other related design and fabrication problems experienced in certain nuclear contracts."

The fourth-quarter figures brought J. Ray McDermott's full-year earnings to $93m ($1.94 a share) compared to $159.1m ($5.02 a share), last year.

Reliance clears way for Exxon bid

BY STEWART FLEMING IN NEW YORK

EXXON announced last night that it will go ahead with its $1.17bn bid for Reliance Electric "as soon as possible."

The announcement came shortly after the directors of Reliance decided neither to endorse nor oppose Exxon's offer of $72 per share. The board had previously indicated that it would probably leave it to Reliance shareholders to decide how to respond to the bid.

Mr. G. T. Piercy, senior vice-president of Exxon, said: "We are pleased that the Reliance board of directors has concluded that Exxon's proposed offer of $72 per share is fair and that they will take no action to oppose such an offer. This meets the condition for Reliance Board action set forth in our proposal."

Since the Exxon bid is generally reckoned to be a generous one, there has been little doubt that Reliance shareholders would accept its terms if offered the opportunity. The main question hanging over the Exxon move, however, has from the start been how much political opposition there would be to Exxon's diversification decision and whether the anti-trust agencies in Washington would move aggressively to try to block the deal.

Exxon has prepared itself to counter criticism by presenting the bid for Reliance as a move aimed at the rapid exploitation of a breakthrough in electric motor technology which it has made and which could result in substantial energy savings.

That claim is not going unchallenged, however, with some of Reliance's competitors who hint that they do not relish the thought of the largest of the world's oil companies coming into the market to compete.

GRT settles rights dispute with MCA

SUNNYVALE — GRT Corporation said it has signed an agreement which resolves all its disputes with MCA Records, an MCA subsidiary, which arose when MCA acquired substantially all the assets of ABC Records.

GRT said that, with effect from June 11, it has sold its rights under the GRT/ABC Records tape licence agreement to MCA.

MCA had previously said that ABC's rights under the licence agreements had been assigned to it as part of its acquisition.

As part of the agreement, GRT said MCA will also buy its inventory of ABC tapes which are in its current catalogue. GRT said, however, it retains the right to next two years.

sell the inventory of ABC tapes which are not in its current catalogue.

GRT said it and MCA also signed a tape manufacturing agreement which calls for MCA to place an order with GRT for the manufacture of not less than 2m tape units a year for the Reuter.

CGE repeats sales growth despite overseas setback

BY DAVID WHITE IN PARIS

COMPAGNIE Generale d'Electricite (CGE), the French electrical group, expects to maintain its level of consolidated earnings this year and to repeat last year's 10 per cent sales growth.

Group net profit rose to FFr 431m ($97m) last year from FFr 390m. Earnings for majority-controlled companies, excluding CGE's two important affiliates, the Alsthom-Atlantique heavy electrical and shipbuilding concern and computer manufacturer CII-Honeywell Bull, dropped slightly, however, to FFr 264m from FFr 274m.

Consolidated sales rose to FFr 36bn from FFr 32.7bn, in spite of a setback in foreign turnover—exports and sales of foreign subsidiaries—to FFr 11.5bn from FFr 12.1bn.

Orders received last year were up by 12 per cent at FFr 40.3bn, and are expected to increase by 10 per cent this year.

M. Ambroise Roux, the chairman, told the annual meeting that the parent company should see its net operating profit rise this year to about FFr 170m ($38m) from FFr 152m in 1978. Despite a 10 per cent increase in operating results last year, the parent company suffered a sharp fall in net profit from FFr 377m to FFr 161m, after large exceptional gains the year before.

CGE, which was the first French group to make a major capital raising operation after the March 1978 general election, with a one-for-five rights issue, repeated its FFr 22.60 net dividend for the year, and M. Roux said it would pursue a policy of "prudent and continued progression" in its payouts to shareholders.

Questioned by shareholders on the interest shown by Saint-Gobain-Pont-a-Mousson, the diversified industrial group, in taking a stake in CII-Honeywell Bull, M. Roux said proposals for the future development of the Franco-U.S. computer company were still being studied.

He said that the second stage in CII-HB's development had to be considered now that it was coming to the end of its state-subsidised launching period and had proved itself to be profitable. The CGE group, active in forming the venture, holds 20 per cent of Cie des Machines Bull, which has the majority in CII-HB.

M. Roux confirmed that CGE had reached an agreement with Siemens of West Germany in electrical fittings, and that Siemens would take 50 per cent in Arnohld-FAE, a CGE subsidiary with a nominal capital of FFr 35.35m. The company, M. Roux said, was too small in the field, with 1978 sales of FFr 313m. The agreement with Siemens would reinforce its position and lead to wider co-operation between the two groups.

CGE's purchase of an indirect minority shareholding in Sir James Goldsmith's concern, Generale Occidentale, was aimed at balancing its portfolio interests grouped under Cie Electrofinanciere. The move makes CGE the second largest shareholder in Generale Occidentale.

Oslo listing for Volvo shares

BY WILLIAM DULLFORCE IN STOCKHOLM

VOLVO shares will be traded on the Oslo Stock Exchange from Friday, making Norway the fourth country in which the Swedish car and truck company's shares are quoted. They are already listed in London, Frankfurt, Hamburg and Dusseldorf, as well as Stockholm.

The Oslo listing signals the Volvo board's intention to seek closer ties with Norway, even though shareholders rejected in January its plan to sell a 40 per cent holding in the company to the country.

The Swedish Riksbank, the central bank, has authorised the sale to Norway of up to 200,000 Volvo "A" and "B" shares without the use of so-called switch currency. A premium usually has to be paid for this type of currency.

At present about 500,000 of Volvo's 17.7m shares are traded abroad and the board intends to increase the proportion. The company has just launched a one-for-five rights issue, which will increase the share capital to just over SKr 1bn ($227m).

Volvo bought components to a value of NKr 280m ($56m) from Norwegian sub-contractors last year and in the wake of the aborted share purchase deal with Norway it has about 30 new purchasing projects under consideration.

Dutch insurer to borrow

BY OUR FINANCIAL STAFF

NATIONALE-NEDERLANDEN plans a major borrowing programme in order to finance part of its acquisition of the U.S. insurance group, Life Insurance Company of Georgia.

The Dutch company is to issue two loans totalling the equivalent of $220m. This compares with a purchase price of $360m envisaged for the U.S. acquisition. N-N is to offer a dollar loan of $120m and at the same time issue guilder debt worth Fl 212m.

Earlier this month, N-N reported that operating revenue in the first quarter of 1979 had risen by 11 per cent. The company also predicted a rise of a tenth in net earnings for the whole of this year. Its profit forecast assumed completion of the U.S. acquisition.

INTERNATIONAL CAPITAL MARKETS

Bank chief defends Euromarkets

BY JOHN EVANS

A FURTHER DEFENCE of the Eurocurrency markets, in the face of the present efforts to apply international controls to the system, was made in London yesterday by Mr. David Rockefeller, chairman of Chase Manhattan Bank.

The U.S. banker, in an address to the American Chamber of Commerce, rejected criticisms that the Euromarkets had encouraged irresponsible lending practices.

An additional argument that the markets had also exacerbated world inflation was also overstated, Mr. Rockefeller added.

"If the Eurocurrency market were somehow to close down tomorrow, world inflation would not evaporate."

The Chase chairman is the second senior U.S. banker to launch this week a defence of the Euromarkets. On Monday Mr. Walter Wriston, the chairman of Citicorp, warned that Euromarket controls carried grave risks for global financial stability.

Mr. Rockefeller recalled that, after the massive oil price increase of 1973, the intermediation of commercial banks in the market had made from the Organisation of Petroleum Exporting Countries funds available to those nations that were short of cash.

However, the problem may be more complicated now in the face of a new wave of oil price increases, he added.

"Some developing nations may have already reached their borrowing capacity and some commercial banks may be confronted with limits of country exposure.

"Therefore, this time the commercial banks may not be able to assume the prime responsibility of recycling surplus OPEC funds although they will surely continue to play an important role."

Mr. Rockefeller said he believed it was imperative that the developed and developing world agree on new solutions to supplement commercial recycling.

Such solutions should allow for a greater reliance on inter-governmental co-operation, an international system for providing credit such as the IMF "Witteveen" facility or a revised version of the safety net proposed in 1974 by Mr. Kissinger, the U.S. Secretary of State.

In medium-term lending, meanwhile, the London-based Scandinavian Bank said it has received a mandate to support a project worth more than $400m for a pulp and paper mill in the Philippines.

Scandinavian Bank, acting on behalf of the Finnish and Swedish suppliers, will support the financing of the export content, and arrange infrastructure financing

The Venezuelan state steelmaker, Siderurgica del Orinoco (Sidor) has completed a $250m Eurocurrency Financing in order to help it raise its steel capacity from 1.2m to 5m metric tons.

The 12-year loan was arranged by N. M. Rothschild and Barclays Bank International.

The loan carries spreads over interbank rates ranging between ⅝ and ¾ percentage points.

Dollar bond issue calendar swells

BY OUR EUROMARKETS STAFF

AS THE Eurodollar bond market's strongest rally in several months continued to gain pace yesterday, Unilever NV announced a new $100m straight-debt issue.

The new issue calendar in dollar bonds is now reaching sizeable proportions, with other U.S. and Europe corporate bonds scheduled yesterday, including issues from AGA AB and GTE Finance NV.

Dealers said that the market's strength, based on declining short-term interest rates, a firm dollar and hopes of a slowdown in U.S. inflation, is being quickly exploited by a wide range of borrowers.

Some bond analysts believe that the current calendar in dollar bonds, including issues announced this week, is now approaching $1bn to $1.5bn, as the market enjoys its best rally since last November.

However, informed German banks are discounting the possibility of an imminent $500m issue from the European Economic Community, which, if launched, would represent a major portion of the issuing calendar.

Talk that such an offering is due is apparently based on the fact that the EEC's $500m of 7½ per cent notes 1976-79 matures this December. Markets have been discussing the possibility of a major EEC issue to replace this bond, but German banks describe such speculation as "premature."

The $100m of Unilever bonds, due 1987, carry a coupon of 9¼ per cent and issue price of 99½. The issue will be underwritten by an international group led by Amsterdam-Rotterdam Bank, Deutsche Bank, Swiss Bank Corporation International and Morgan Guaranty Ltd.

The bonds will be used partially to repay the $340m three-year bridging facility used for financing Unilever's acquisition of National Starch and Chemical Corporation of the U.S. last year.

Elsewhere, GTE Finance NV, part of the large U.S. telecommunications group, is offering $55m of bonds due 1989 through a group led by Salomon Brothers International.

The indicated coupon is a 9¾ per cent, with pricing at par. The average life is eight years. This is the second Eurobond from the GTE group this year.

The Swedish industrial group, AGA AB, is launching a $25m 10-year convertible issue. The coupon is expected to be 7¾ per cent.

The conversion premium will be set at 5 per cent above the price of AGA B shares, with the premium not exceeding SKr 185. AGA B shares are currently quoted in Stockholm at SKr 173.5. The issue will be handled by a syndicate headed by Hambros Bank and Svenska Handelsbanken.

Meanwhile, it is understood that the U.S. corporation, I.C. Industries, will shortly launch a dollar offering.

The foreign Deutsche mark Eurobond market moved ahead again yesterday, amid a further revival in overseas demand.

German dealers said the foreign issues market is taking its lead from the reviving domestic DM bond sector. In a reversal of intervention tactics, the Bundesbank is selling increasing amounts of Government paper in the market, successfully offering DM 94m of bonds for sale yesterday.

This brings its sales in the last four trading days to more than DM 160m. Until recently, the central bank had been actively buying Government issues because of the domestic market's weakness, dealers noted.

The improved trend in the DM foreign market has also been created by the recently narrowing of yields vis-a-vis Eurodollar bonds, with the gap in favour of U.S. issues narrowing in recent days to between 1½ and 1¾ points.

In addition, a shift of speculative funds into Germany, based on suggestions that the value of the Deutsche-mark within the European Monetary System will have to be corrected upwards, has helped support the demand for bonds.

Belgium, whose currency is among the weakest in the EMS, yesterday raised its Bank Rate to 9 per cent from 8 per cent as a result of current pressures within the EMS.

In new issues, the DM 200m 7¾ per cent offering for the Kingdom of Sweden was priced at par, after being originally indicated at 99½. A pricing at par is also being mooted for the DM 100m issue for the Inter-American Development Bank.

There is now speculation that Norges Kommunalbank, expected to announce an issue later this week, will try for a coupon of below 8 per cent in order to take advantage of the DM market's rally.

In floating rate notes, Banque Sudameris has launched a $30m eight-year issue, at a margin of ¼ point. The minimum rate is 6 per cent and the lead manager is Banca Commerciale Italiana.

● The flotation of 4m shares of common stock, evidenced by European Depositary Receipts, for Nippon Densetsu Kogyo Co., has been set with an issue price of $1.951 per share. This represents a discount of 5.33 per cent on the Tokyo closing price for its stock on June 12.

Proceeds of the issue will amount to some $7.2m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on June 13

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aier Huwden XW 9½ 91	30	[illegible]	[illegible]	[illegible]	0	11.23
Avco O/S Cap 10⅞ 87	40	97⅞	98⅜	+0⅝	+0½	10.60
Bayer Int. F. XW 7⅞ 89	200	85⅝	86⅛	+0⅛	+0¼	9.54
CECA 9¼ 84-99	50	95¼	96¼	0	+0¼	9.82
Canada 9 83	400	98¾	99¼	−0⅛	+0¼	9.49
Canada 9¼ 98	350	98⅛	98⅝	0	+1	9.56
Canadian Pacific 9⅛ 89	50	99⅛	99⅝	0	+0⅛	9.85
Comalco Inv. E. 10¼ 91	40	100¼	100¾	+0¼	+0¼	10.18
Dow Chem. O/S 9⅞ 94	200	99⅛	99⅝	+0⅛	+0⅝	9.88
EIB 9⅛ 89	125	94⅝	95⅛	−0⅛	+0¼	9.95
EIB 9⅞ 86	100	100¼	100⅞	+0¼	+0⅞	9.72
EIB 9⅞ 99	100	100½	101	+0¼	+1¼	10.02
Export Dv. Cpn. 9.85 84	150	†101½	102	+0¼	+0¼	9.59
Export Dv. Cpn. 9⅝ 84	100	98⅜	98⅞	+0¼	+0¼	9.90
Eksportfinans 9 86	50	96⅞	97⅜	+0⅛	+0¼	9.60
Finland 9½ 88	100	98⅜	98⅞	0	+0⅞	9.77
GTE Fin 9½ 84	50	98⅞	99⅜	+0⅛	+0⅛	9.72
Gould Int. Fin. 9⅞ 85	50	99⅞	100⅜	0	+0⅞	9.73
Hospital O/S 9 82	25	96¾	97¼	0	0	9.87
Hudson Bay Co. 10 94	50	101⅝	102⅛	+0⅞	+0⅜	9.74
Itel Finance 9⅞ 90	30	91½	92½	−0⅛	−1⅛	11.02
Itel Finance 10½ 83	40	94½	94⅞	0	−1⅛	11.31
ITT Antilles 9½ 89	75	98⅛	98⅝	+0⅛	+0⅛	9.76
Manitoba 9½ 89	75	98⅛	98⅝	+0⅛	+0⅛	9.75
New Brunswick 9⅝ 94	75	98⅝	99⅛	+0⅛	+0⅛	9.87
Newfoundland 10 94	50	100⅞	101⅜	+0½	+0⅝	9.84
Norsk Hydro 9¼ 94	50	96½	96⅞	+0½	+0⅞	9.68
Norway 9⅝ 94	150	100⅞	101⅛	−0⅛	+0¼	9.56
Norway 9½ 84	150	99⅜	99⅞	+0⅛	+0⅛	9.59
Nova Scotia Pwr. 9⅝ 89	50	98	99½	+0½	+1	9.87
Occidental Fin. 10½ 84	50	99¾	100¼	+0¼	+1	10.25
Pennwalt O/S F. 9⅞ 84	25	99¾	100¼	+0¼	+0¼	9.75
Portland 10 84	50	99¼	99¾	+0¼	+0¼	10.39
Quebec Hydro 10 99	75	97⅛	97⅝	+0¼	+1¼	10.31
Redland Fin XW 9¾ 91	25	93½	93⅞	+0⅛	0	10.49
Sears Roebuck 9 82	150	98⅝	99⅛	+0¼	+0¼	9.46
Stockholm 9⅞ 94	50	100⅞	101⅜	+0⅞	+1	9.85
Sweden 9⅝ 89	100	99⅞	100⅜	+0¼	+1	9.72
Sweden 9½ 86	200	99⅞	100⅜	+0¼	+1	9.69
U.S. Leasing Intl. 10 84	20	97½	98	+0¼	+0¼	10.60

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible] Int. 6½ 87	70	[illegible]	[illegible]	[illegible]	+1	[illegible]
Argentina 6½ 83	150	89¾	90½	+0⅛	−0¼	8.03
Argentina 7½ 88	150	93⅞	94⅝	+0½	+0¼	8.37
Australia 6 88	250	92⅞	93⅜	−0⅛	0	7.03
Austria 5⅝ 90	150	87¼	88	+0⅛	+0¼	7.29
Banco Desarrollo 7⅞ 86	100	95⅝	96⅛	+0⅛	0	8.08
Barclays O'seas 6¾ 89	100	96⅞	97⅜	+0⅝	+1⅛	7.16
Bq. Ext. Algerie 7⅞ 85	100	93½	94¼	+0⅝	−0⅝	8.52
Brazil 7⅞ 87	150	96	96½	+0¼	0	7.92
CECA 6 88	150	88½	89½	+0⅛	−0½	7.70
CECA 7 91	150	96½	96⅞	+0¼	+0½	7.43
Copenhagen City 6 90	75	86½	87¼	+0⅛	+0¼	7.79
Council of Eur. 6¼ 88	130	90⅝	91⅛	−0¼	−0⅝	7.62
Council of Eur 7¼ 89	100	97¾	98¼	+0¼	+0⅝	7.54
Denmark 5¾ 85	100	93⅝	94⅛	+0¼	−0⅝	7.07
Denmark 6½ 89	150	93½	94¼	+0¼	+0½	7.40
EIB 6 90	200	87⅛	87⅞	+0⅝	+0⅝	7.69
EIB 6½ 91	200	91⅞	92⅛	+0½	+1⅛	7.59
EIB 7½ 89	200	98⅜	98⅞	+0⅝	+0⅝	7.70
Eletrobras-Brazil 7 87	100	93⅝	94⅛	0	−0⅛	8.10
Eurofima 6½ 89	100	96½	97⅛	+0¼	+0⅛	6.97
Finland 6 83	150	97⅞	98⅜	+0½	−0⅝	6.59
Indonesia 7 84	100	96⅜	96⅞	0	+0⅛	7.82
Mexal Fin 7 89	150	97⅜	98½	+0⅛	+0½	7.27
Mitsubishi Chem. 6½ 84	70	99¼	100¼	+0⅛	+0⅞	6.56
New Zealand 6¼ 87	200	95¼	96	+0⅛	+0⅛	7.01
Nippon Kokan 6½ 84	100	98⅝	99⅜	0	+0⅞	6.74
Nippon Steel 5¾ 85	100	95⅞	96⅜	+0½	+1⅛	6.50
Nippon Tel. & T. 5½ 87	100	89⅝	90¼	+0¼	+0⅞	7.29
Nordic Inv. Bk. 6¼ 86	60	95	95¾	+0¼	0	7.15
Norway 6¼ 84	200	99⅞	100⅜	0	+0½	6.18
Occidental 6⅞ 90	150	92⅝	93⅛	+0¼	+0¼	7.68
OKB 6½ 88	100	96⅝	97⅛	+0⅛	−0⅛	6.97
OKB 6 87	40	91	92	0	−0¼	7.49
Statoil 6 88	150	90⅝	91⅛	+0¼	+0¼	7.42
Statoil 6½ 89	150	96¼	96¾	+0⅛	+0⅛	7.02
Tokyo Elec. Pwr. 6½ 85	200	96⅝	97⅛	+0¼	+0¼	7.16
UDS Group 5¾ 83	65	94½	95⅛	+0½	+0⅝	7.23
Venezuela 6¼ 90	150	88½	89	+0⅞	+0½	8.04
World Bank 6¼ 88	400	90½	91¼	+0⅛	−0⅛	7.63

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amer. Exp. Int 3½ 93	40	89	89½	+0⅛	−3	4.51
Asian Dev. Bank 3½ 94	100	82⅞	83⅛	0	−0⅛	5.18
Austria 3½ 93	100	84½	85	+0½	−1⅞	5.00
Australia 3⅝ 89	250	92⅞	93¼	+0¼	−0⅝	4.52
Brazil 4¼ 88	100	92½	92⅞	+0⅛	−2⅝	5.26
Canada 3⅝ 93	300	92⅞	93¼	+0⅝	−0⅝	4.40
Chase Manhattan 4 93	70	96¼	96⅝	+1½	−1	4.33
Council of Eur 4¼ 90	100	92	92½	+0½	−2	5.16
BankAmerica 3¾ 93	80	89½	90	+0¼	−2⅛	4.75
BNDE 5 89	75	97½	98	+0⅛	−2⅛	5.31
Denmark 4½ 90	100	97⅛	97⅝	−0⅛	−2⅞	4.75
F. L. Smidth 4½ 89	25	96	96¼	+0⅛	−1⅝	4.99
Haron 4¼ 89	35	90¾	91¼	+0½	−0⅝	5.46
ICI Fin. NV 3¾ 94	230	88½	88¾	0	−0⅛	4.58
Malaysia 4¾ 90	80	95¼	95¾	+0½	−0⅛	5.28
New Zealand 3½ 94	150	88¼	88½	+0¼	−0⅛	4.61
OKB 3⅞ 91	100	†89¼	89½	−0½	−1½	4.96
Pfand Ost. Lande 4 90	60	91	91½	0	−1⅛	5.07
Philippines 4½ 89	50	†96	96½	+0½	+0⅛	5.25
Sandvik 4 90	95	89	89½	+0¼	−4⅛	5.27
Spain 4 91	100	89⅝	90⅛	+0¼	−1½	5.17
Vienna 4 93	100	89	89⅜	+1½	−1⅜	5.06
Voest-Alpine 4¾ 89	90	†102	102¼	+0⅛	+1¼	4.48
[illegible]	[illegible]	94	94½	+0⅛	−1	4.81
World Bank 4⅝ 89	100	†101½	102	+0½	+0¼	4.39

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5⅝ 88	15	86½	87¼	0	+0⅛	7.31
Australia 5.6 83	20	92	93	−0¼	−0⅛	7.76
Australia 6½ 88	20	90⅜	91⅞	−0¼	−0⅛	8.04
Finland 5.6 83	10	91½	92½	0	0	7.99
Finland 6.8 88	10	90⅞	91⅞	−0½	−0½	8.28

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible] I. Bk. 5 84 SDR	30	95⅝	97⅛	0	−0⅛	9.69
Avco Fin. 10¼ 86 C$	25	96¾	97¼	+0⅛	−0¼	10.88
Ex. Dev. Cpn. 10 84 C$	50	99⅛	99⅝	+0⅛	0	10.16
Fst. Can. Inv. 10 84 C$	50	98¾	99¼	+0⅛	0	10.28
Hudson Bay 10½ 89 C$	60	99⅞	100⅞	0	−0⅛	10.47
Quebec 10¼ 86 C$	50	98⅛	98⅝	0	−0¼	10.58
R. Bk. Canada 10 86 C$	40	100¼	100¾	+0⅛	+0⅛	9.89
R. Bk. Canada 10 94 C$	40	96⅞	97⅜	0	+0¼	10.42
Copenhagen 8⅝ 91 EUA	25	97⅜	98⅛	−0¼	−0¼	8.49
Komm. Inst. 7½ 93 EUA	15	96⅞	97⅜	0	+0⅛	7.88
Panama 8¾ 93 EUA	20	95	96	−0½	−0⅛	8.81
SOFTE 8¼ 89 EUA	40	96⅞	97⅜	−0⅛	−0⅛	8.79
Algemene Bk. 8¼ 83 Fl	75	93½	94	0	−0⅛	8.17
CFE Mexico 7⅞ 83 Fl	75	94¾	95¼	−0⅛	−0⅛	9.29
EIB 7⅝ 85 Fl	75	91⅞	92⅜	−0⅛	−1	8.88
Ned. Middbk. 8¼ 84 Fl	75	98⅝	99⅛	−0⅛	+0⅛	8.63
New Zealand 8¼ 84 Fl	75	90⅞	91⅜	0	−0⅞	8.88
Norway 8¼ 84 Fl	100	97⅝	98⅛	−0⅛	0	8.80
Elf Aquitaine 9⅝ 88 FFr	150	96⅝	97⅛	−0⅛	−0⅛	10.24
EIB 9⅝ 88 FFr	200	96⅞	97⅜	0	−0½	10.23
Euratom 9⅝ 87 FFr	150	96½	97¼	0	−1⅛	10.34
Norway 9¼ 84 FFr	200	97	98	0	−0⅛	9.92
PSA Peugeot 9⅝ 87 FFr	175	96⅝	97⅛	0	−0⅛	10.32
Saint-Gobain 9⅝ 86 FFr	130	96¾	97¼	0	−0⅛	10.34
Solvay et Cie 9⅝ 87 FFr	125	96¾	97½	0	−0⅛	10.29
Total Oil 9⅝ 87 FFr	150	94⅞	95⅝	0	−0⅛	10.29
Unilever 10 85 FFr	100	98⅞	99⅞	−0⅛	−0⅛	10.11
[illegible]	20	91⅞	92⅜	−0⅛	−0⅛	11.02
Citicorp 10 93 £	20	90¾	91¼	−0¼	−0½	11.27
EIB 9¾ 88 £	25	91⅝	92⅛	−0⅛	−0⅛	11.17
Finance for Ind. 13 91 £	15	102½	103⅛	−0⅛	−0⅛	12.50
Gen. Elec Co. 12¼ 89 £	50	100¼	101	−0⅛	−0½	12.36
Euratom 8 87 LuxFr	500	97½	98½	0	−0⅛	8.35
Norges Km. 8 86 LuxFr	500	97⅝	98⅝	0	+1⅛	8.43
Oslo, City of 8 89 LuxFr	500	97⅝	98⅝	0	+0⅛	8.28
Solvay Fin. 8 85 LuxFr	500	97¼	98¼	0	−0⅛	8.46
Swedish Bk. 8 88 LuxFr	500	97½	98½	0	+0⅛	8.31

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
BFG Fin. Co. M5.5 89	0¼	98½	99¼	12/7	12.4	12.53
Banco di Roma M6 87	0¼	98½	99	26/10	11.19	11.33
Bco. El Salvador M8 83	1½	95½	96½	12/10	12¼	12.81
Bco. Nac. Argent. 7 86	0¼	97⅞	98⅜	22/9	11⅛	11.72
Banco Prov. BA M7¼ 86	0¼	98¾	99	12/6	11	11.15
Banco Urquijo 6 86	0¼	98	98½	21/9	11½	11.70
Bank of Tokyo M5½ 93	0¼	98½	99	18/10	11⅛	11.30
Bq. Ext. d'Alg. M7.5 86	0⅝	95¾	96	2/11	11⅞	12.42
BNP 5½ 91	0¼	98⅜	98⅞	22/2	11⅛	11.53
Citicorp O/S Fin. 6 94	0¼	99½	100	8/9	10.69	10.71
Gotabanken M6 88	0¼	98½	99¼	15/6	11½	11.63
Ind. Bk. Japan M5½ 85	0¼	99½	100	1/12	10.94	10.97
Jugobanka M8 89	0⅝	96½	97½	23/11	11⅞	12.26
LTCB Japan M5¼ 85	0¼	99½	100	9/10	11⅝	11.65
LTCB Japan M5½ 88	0¼	98⅞	99⅜	7/12	11⅛	11.22
Mfrs. Han. O/S M5¼ 94	0⅛	99⅛	99⅝	23/8	11.19	11.24
Midland Intl. M5½ 93	0¼	98¾	99¼	20/7	12¼	12.37
Nipp. Crdt. Bk. M5.5 85	0¼	99¾	100	22/6	12.81	12.86
OKB M5¾ 88	0¼	99⅜	99⅞	18/10	11.44	11.48
Petro Mexicano M7 84	0⅞	99	99½	24/7	12.06	12.15
Privredna Banka M8 86	0⅞	96	96½	22/6	13.44	13.94
Sundsvallsbnkn. M6 85	0¼	98¼	98¾	4/10	11.06	11.23
Texas Int. Air. M7 86	0¼	97	97½	11/10	11¼	11.57
TVO Pwr. M9 91 (D-L)	0¼	98⅜	98⅞	24/11	11⅛	11.28
Utd. Overs's Bk. M6 89	0⅛	97⅞	98⅜	29/9	11.14	11.38

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Baker Int. Fin. 5½ 93	1/79	34	128½	129½	+0¼	2.10
Boots 6¾ 93	2/79	2.16	98⅝	99⅝	−1½	0.60
Ciba-Geigy O/S F. 4 94	9/79	675	91⅛	92¼	+0½	−13.40
Coca-Cola Bottling 6¾	4/79	9	88½	89¼	−0½	25.72
Credit Suisse 4¼ 93	10/79	1325	99¼	100¼	+0¼	5.95
Esselte 7¾ 89	9/79	159	95¾	96½	+0½	15.54
Honda Motor 5½ 89	5/79	532	92⅞	93⅜	−0⅝	−2.19
Ito-Yokado 5⅞ 93	6/78	1339	100	101	+0½	0.44
Nitto Elec. Ind. 6 94	7/79	735	88½	89½	−0⅛	2.65
Novo Industri. 7 89	4/79	259	87½	89¼	−0⅛	12.40
Texas Int. Air. 7½ 93	4/79	14.5	88	89¼	+0⅛	23.80
Thorn Int. Fin. 7 88	11/78	3.67	125½	126½	−3⅛	−0.96
Asahi Optical 3¼ DM	12/78	598	79⅝	80⅝	−0⅛	6.15
Casio Co. 3½ 85 DM	11/78	841	83⅛	83⅞	+1⅛	20.79
Fujitsu 5 84 DM	7/78	475	93⅞	94⅞	+0⅛	14.68
Jusco 3½ 86 DM	1/79	1154	78⅝	79⅝	−1⅛	26.80
Kansai-Elec. 4 84 DM	4/79	1350	86½	87½	+0⅛	20.16
Konishiroku 3½ 85 DM	1/79	612	83⅛	83⅞	−0⅛	11.82
Marudai Food 3½ DM	7/79	1033	77⅝	78⅝	0	33.65
Murata M. 3½ 86 DM	11/78	854	80¼	81¼	−0⅛	6.15
Nippon Ysn. 3⅞ 85 DM	1/79	251	†79⅝	80⅝	0	−30.1[illegible]
Nissan Diesel 3½ 86 DM	2/79	477	86¼	87¼	−0¼	3.6[illegible]
Olymp. Opt. 3½ 85 DM	2/79	703	90⅞	91⅞	−0⅛	−1.6[illegible]
Sharp Corp. 3¼ 88 DM	2/79	487	88⅝	89⅝	−0½	8.7[illegible]
Stanley Elec. 3½ DM	11/78	623	†80¼	81¼	0	46.5[illegible]
Tokyo Elec. 3½ 87 DM	4/79	475	†90	90½	0	27.9[illegible]
Tokyu Ld. Co. 4 86 DM	4/79	493	82⅝	83⅝	−0⅛	14.7[illegible]
Trio-Knwd. 3½ 88 DM	11/78	711	78⅞	79⅞	+0¼	31.0

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M = Minimum coupon. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

SPANISH MOTOR INDUSTRY

Five years of dynamic expansion ahead

BY ROBERT GRAHAM IN MADRID

The plans to double Spanish car manufacturing capacity within the next five years reveals contrasting expansion idealogies of such international car makers as Fiat and General Motors. This major reorganisation comes at a time when the Spanish economy is bracing itself for entry into the EEC

?O SECTOR of the Spanish :onomy is undergoing such :iange and is anticipating such ynamic expansion as the motor idustry. Within the next five :ars new investment could ital $2.8bn

As a result existing producm capacity should double and the same time the vestiges of panish control will have dispeared. The industry will be minated by Fiat, Ford, neral Motors, Renault and troen-Peugeot and Chrysler in at order. This follows GM's cision this week to invest in ain and Fiat agreeing the :ms of a takeover of SEAT.

The change has come about three basic reasons. Firstly major American multinonals have decided that ain now has sufficient mestic growth potential to er an important market. ondly, Spain's prospective :ry into the EEC and liberaltion of existing restrictive islation makes it an attrace launching pad for the Eurom market in the eighties. ırdly, SEAT, the largest car ducer and Spanish control, had to be restructured to vive and this could only pen logically by Fiat taking control of the company to whom it supplies all the technology, and in which it already has a 34 per cent shareholding.

The contracts between this week's two announcements—GM's $1.6bn investment in Spain and the move by FIAT—is striking. GM is setting up two greenfield plants, one near Saragossa to make a new small saloon for the European market and another at Cadiz to produce components. The initial production target is 270,000 units with total direct employment of 12,000.

Fiat, meanwhile, is to take over loss making SEAT, Spain's largest producer, with a production capacity of 370,000 units and which employs 32,000. One of the main features of the Fiat takeover is a commitment by Fiat to maintain the existing workforce, which last year produced only 288,000 vehicles.

The prime interest of GM in Spain is as a convenient export site for the European market. Doubtless the success of the Ford operation at Almusafes, which has now been in operation for three years, played a part in convincing GM.

Ford was allowed to set up its $650m Almusafes plant near Valencia on the condition that it could sell no more than 10 per cent of the previous year's Spanish registrations in the domestic market. Ford has never liked this restriction. For instance last year it could only sell 66,000 "Fiestas" on the local market out of a total production of 270,000. Ford maintains it could have sold 14,000 more.

Nevertheless, it has been able to export successfully, becoming the leading Spanish exporting company, and it calculated—correctly—from the start that eventually this legislation would change.

The GM target is to export two-thirds of production. This coupled with Ford's orientation, plus a greater switch to exports by SEAT/Fiat, will mean that in future over 50 per cent of total Spanish production will be geared to export. Last year in a flat market the percentage was 38 per cent.

Until the arrival of Ford the restrictive nature of the legislation meant that manufacturers set up in Spain in order to penetrate the local market. The complexion will change further if Ford does decide—as is now thought likely—to go ahead with a $450m scheme to double capacity at Almusafes, introducing a second model range.

SEAT/Fiat will become more export orientated because the company will be fully integrated into Fiat's international network. This means that the number of main models produced in Spain will be cut to three (with consequent larger unit production). At the same time the former constraints on SEAT third country sales are to be lifted. This was a major barrier until now since SEAT often found itself obliged to offer older models in less attractive markets, such as Egypt.

Seat's troubles stemmed from having been the sole car producer in the country. Thus the company felt obliged to offer a comprehensive range of cars. This worked so long as there was no choice for the buyer. But for the past 10 years the increasing choice offered by new manufacturers with limited or single ranges has been keenly felt by Seat. Its market share has fallen from almost 60 per cent to just below 35 per cent, sustained by sales of the 127.

Losses at Seat last year exceeded $150m and will be the same this year, if not worse, with stocks still above 45,000. Part of Fiat's agreement to assume control of Seat is acceptance by the latter of a $770m five-year restructuring programme designed to make it competitive.

The plan envisages $230m being invested in a new product range—basically the Ritmo and the Cero. A further $300m will go on new plant to include expansion of facilities at Pamplona and a new spares factory at Barcelona. There is, however, no guarantee that this scheme will work. Much will depend on how Seat/Fiat fares this year and next in the domestic market and whether it can stem the losses.

More importantly it will depend upon whether Fiat is satisfied over the various conditions it has laid down for its taking control (around 80 per cent) by 1981. Fiat for instance has insisted on the right to switch labour from one plant to another. It would also be surprising if in one form or another labour is not shed. Finally, the plan hinges on the impact of the main new models.

With gradual liberalisation of legislation affecting the auto industry, which began this year, competition will increase. By 1982-83, when Spain is due to join the EEC, all controls will have been removed.

The manufacturers hope the Government will act soon to decontrol prices. Last year, for instance, prices rose 14 per cent against cost increases of 16 per cent. But whereas Seat needs to raise prices to cover increased overheads, the other multinationals would in some instances cut prices, especially if some fiscal changes were made.

Nevertheless, Spanish industrial overheads in the past two years have risen three times the European average and both Chrysler and Ford now pay their workers more than in the UK.

Bank boosts stake in Motor-Columbus

BY OUR FINANCIAL STAFF

UBSTANTIAL shareholding the Swiss utility and neering group, Motorımbus, has changed hands wing the suspension of a ır contract that the com- had to build houses in .

ıe Union Bank of Switzer- ıs to increase its stake in r-Columbus to just over 40 cent by purchasing the 38½ cent of the company owned lusuisse. The deal follows isclosure earlier this week a West German construcsubsidiary of Motormbus, Mobag, faced heavy on an Iranian housing ract valued at DM 930m. 3m)

ıancial details of the n Bank purchase have not released, but yesterday a per cent shareholding in r-Columbus had a stock et value of SwFr 55m nt with the company's s quoted at SwFr 550.

the Iranian contract is lost, ıe faces losses of around 160m, Motor-Columbus unced yesterday. The comalso made it clear that a cial reconstruction would also be necessary involving a cash injection into Mobag of some SwFr 100m and a "write-down to zero" of the subsidiary's balance sheet value.

Motor-Columbus now owns 100 per cent of Mobag. The company's partner in the West German venture, Careal (Walter Haefner) Holdings, has handed over its 40 per cent shareholding to the Swiss company.

Bridj Khindaria writes from Geneva: Mobag had contracted to build three complexes containing 2,000 apartments in Iran.

Motor-Columbus is reported to have already absorbed Sw.Fr 33m in Mobag losses. Mobag officials said in Zurich that their company was left with no choice but to pull out of the massive Iranian contract.

About 60 per cent of the contracts provisions had been fulfilled and Mobag has received Sw.Fr 480m of the contracts proceeds.

However, the new Iranian regime banned further work on the construction project and a strike by customs officials has made it difficult for supplies to reach the building sites.

Australian aluminium plant sited

By John Rogers in Sydney

AUSTRALIA'S LARGEST integrated aluminium group, Alcoa of Australia, has revealed that its second aluminium smelter will be sited at the Victorian port city of Portland in the south-east of the state. The new project—which will cost an initial A$350m—will come onstream in 1983 with a start-up production of 120,000 tonnes. However, the plant will have an overall capacity to handle 500,000 tonnes in line with an expected increase in world demand by the mid-1980s.

The announcement comes after several months of discussions with the Victorian state government, which has been keen to attract heavy industry to depressed industrial growth areas such as Geelong and Portland. The Government will spend over A$80m providing infrastructure for the project through extra power, port and housing facilities. Nearly 1,000 men will be involved in the construction and the plant will employ 600 when fully operational.

The Government clearly believes the expenditure will be worth while in attracting other industries into the city, which was originally conceived as a decentralised growth area. The company announced earlier in the year that it would spend A$85m expanding capacity at its other Australian smelter at Port Henry, outside Geelong. In Western Australia, site preparation is underway for a new refinery at Wagerup, south of Perth, while the Pinjarra refinery is lifting capacity to 2.5m tonnes of alumina at a cost of A$25m.

Announcing the Victorian move yesterday, Sir Arvi Parbo, the chairman, said "Australia is *rapidly emerging as one of the* best placed countries to supply world aluminium markets."

Bank Hapoalim makes record rights issue

BY L. DANIEL IN TEL AVIV

BANK HAPOALIM, Israel's second largest bank, which is controlled by the Labour Federation, has announced a I£1bn (some US$ 40m) rights issue which, when completed, will become the single largest flotation on the Tel Aviv stock exchange.

The issue will consist of 370m ordinary I£1 shares and 68m of I£2 registered options. They are to be offered in 68.3m units each consisting of five ordinary shares and one option.

The price of the unit will be I£17.30, meaning that the shares will be priced at I£3.10 each and the options at par.

Of the total issue, 28.8m shares will be offered to employees at a price of I£2.20 per share. The options can be converted by the holder into ordinary shares by payment of an additional I£3.10.

In recent years, Bank Hapoalim has shown the fastest growth rate among the commercial banks in the country. Its balance sheet in 1978 grew by 73.4 per cent—the highest rate among the country's big three. The yield from its shares over the past nine years has consistently exceeded both the rise in the cost-of-living index (to which long-term Government bonds are linked) and the rate of devaluation of the Israel pound against the dollar.

The shares will be traded ex-rights from today. The rights in turn will be traded on the exchange on July 4-5, and the rights may be exercised up to and including July 8.

Delek shows sharp advance

BY OUR TEL AVIV CORRESPONDENT

DELEK — Israel's second largest oil marketing company, accounting for 30 per cent of overall sales of all types of petroleum products—raised its net profit by 193 per cent in 1978 to I£117.1m ($4.7m).

Sales rose by 90 per cent to I£5.1bn ($204m), with much of the increase accounted for by the rise in prices, though 10 per cent represented a quantitative gain. Expenses rose by 81 per cent.

The company has been widening its sphere of operations through partnerships in related enterprises, such as Witco Chemicals, and is investigating the possibility of more participation in the chemical industry.

It is also engaged, jointly with an American concern, in large-scale experimental cultivation of the Jojoba plant in the Negev Desert of Israel. The plant yields valuable oil for use in the chemical industry.

* * *

The Gurdan group of five metallurgical and one automotive plant controlled by Israel's largest investment company, Clal, expects its net profits this year to rise to I£70m ($2.8m) from I£45m in 1978, and its sales to double, to over I£1bn ($40m).

Most of the prospective output during the current fiscal year has already been spoken for. Of the expected total of I£1bn sales, just under one-third—or I£300m—will be made by the group's steel castings plant, which works both for the military and the civilian market, a similar amount by the Rom Carmel car plant in Haifa, and smaller amounts by factories for the production of fittings and special iron castings, a plant for machining, a factory producing valves and other parts for vehicles, and so on.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	5.6.79	12.6.79	AVERAGE YIELD	5.6.79	12.6.79
DM Bonds	99.31	98.88	DM Bonds	7.411	7.490
HFL Bonds & Notes	96.67	96.11	HFL Bonds & Notes	8.928	9.043
U.S. $ Strt. Bonds	96.45	96.70	U.S. $ Strt. Bonds	9.460	9.421
Can. Dollar Bonds	96.84	96.68	Can. Dollar Bonds	9.852	9.881

Montefibre appeals for fresh capital injection

BY PAUL BETTS IN ROME

BOARD of Montefibre, the making synthetic fibres subsidiary of the Montedison micals conglomerate, warned the company faced the ous risk of imminent dation unless a consortium editor banks was set up to fresh capital

warning follows the ion of the Milan-based ıt company Montedison, to ın no "zero" the comy's financial and structural ılties of its fibres subsidiary.

the face of this move by edison there are now ıpts to form a consortium credit institutes to reıse the fibres group and ee its long overdue reconstruction and rationalisation programme.

The company, which lost L90bn ($105.4m) last year saw its short term debts increase to L125bn at the end of last year. Net sales dropped by L34bn to L243.8bn last year.

Montefibre's recovery programme, which now hinges on the constitution of a banking consortium, is understood to include the sale or closure of a number of textile plants.

It would also involve some cuts in the group's workforce, and the completion of the new Acerra complex in Southern Italy which by 1982—or by the end of the recovery programme—would account for about 50 per cent of Montefibre's turnover.

Billings up at Malaysian advertisers

By Wong Sulong in Kuala Lumpur

MALAYSIAN advertising companies recorded better results last year compared with 1977, according to The Advertising Age, the journal of the Advertisers' Association.

The biggest advertising agency, Ogilvy and Mather had total billings of 25.6m ringgits ($11.67m) compared with 23m ringgit previously.

Leo Burnett achieved a 13 per cent increase to 20.7m ringgit and PTM Thompson, a joint venture between the Pernas Organisation, Tourist Development Corporation, Malaysia Airline System and J. Walter Thompson, recorded the most impressive growth with billings of 14m ringgit compared with 10m ringgit in 1977.

Crescent Dyes sales rise

BY P. C. MAHANTI IN CALCUTTA

CRESCENT DYES and Chemicals—ICI India until its conversion into an Indian joint stock company under the Foreign Exchange Regulation Act—has done well in the first year under its new banner.

The company's turnover for 1978 increased to Rs320m ($40m) from Rs316m in the previous year.

The company has been largely a trading company, and would have had to suspend or greatly curtail its trading activity had it chosen not to alter its status by reducing the foreign shareholding to 40 per cent, Mr. A. L. Mudaliar, the chairman, said at the annual meeting that the new status would enable the company to expand its trading business under India's new liberalised import policy, against the background of ample foreign exchange reserves. The company expected to increase imports of fertilisers and petrochemical products as these were needed for the economy's priority sectors.

The company wishes to expand its manufacturing interests. It already has three major lines of production—textile auxiliaries: heat treatment salts for the engineering industry; and polyethylene extrusions, concentrating in this line on speciality products like treated films

Interfood lifts earnings

BY OUR FINANCIAL STAFF

INTERFOOD, the Swiss group h includes the Suchard and ı chocolate and confecıy interests, lifted consoliıted net profits by 26 per last year to SwFr 13.3m m), with turnover advancing from SwFr 1.14bn to 1.33bn.

is compares with last year's forecast by the Lausanne-based concern that earnings in 1978 would be more or less maintained.

At the parent company, whose financial year runs to March 31, net profits moved up from SwFr 7.92m to SwFr 8.35m, prompting an increase of SwFr 1 to SwFr 22 in the dividend on the "A" shares and one of SwFr 5 to SwFr 110 on the "B" shares.

W ISSUES IN HONG KONG

Leisure group breaks the ice

BY ANTHONY ROWLEY IN HONG KONG

PROPOSED floating of a hotel and leisure group Far East Hotels and Entertainment (FEHE)—on the exchanges here marks the new issue drought in over years.

Spate of new issue activity predicted when the stockmarket experienced a mini-boom late last year fell any deep made them to seek public listing can be expected to materialise only now. Given the lead time required for new issues, analysts feel that the bringing to market of FEHE by Wardley, the merchant banking arm of Hongkong and Shanghai Banking Corporation, may mark a revival in new issue activity in Hong Kong. Likewise, Singapore analysts saw the flotation of shares in Jurong Cement Company recently—the first issue this year—as forerunning a batch of new issues there too.

Wardley has arranged the underwriting of 30m shares of HK$1 par value in FEHE, which are being offered to the public at HK$1.15 each, capitalising the company at HK$115m in all. The remaining 70m shares in FEHE have been issued to Mr. Deacon Chiu, FEHE's chairman, and his family.

Mr. Chiu is also chairman, and a principal shareholder, of the Far East Consortium, a quoted property company with investments principally in the Hong Kong New Territories.

FEHE owns two hotels, the Bali Hyatt in Bali, Indonesia, and the Holiday Inn Orchid Palace in Jakarta. The company also manages amusement parks in Indonesia and in Hong Kong as well as owning and operating six cinemas and two bowling centres in Hong Kong.

FEHE does not intend to restrict itself to activities in Indonesia and Hong Kong in future, and one of the reasons for seeking a stock exchange listing is to make the company more internationally known.

The offer document for FEHE's flotation predicts a very large increase in pro-forma profits in 1978—following the consolidation of companies acquired earlier this year from the Chiu family—of HK$5.17m to HK$13.4m (US$2.6m) in 1979. It also assumes a much improved performance in the hotel division.

The shares are being offered on a multiple of 9.6 times prospective 1979 earnings, and at a prospective yield of 8.7 per cent. Dividend cover is 1.2 times and net asset backing—after a substantial revaluation of Indonesian land and buildings—is 82 cents a share.

Fresh Wall St. rise eroded by mid-session

INVESTMENT DOLLAR PREMIUM

$2.60 to £1 — 41% (50½%)
Effective $2.1040 — 14¼% (21%)

TUESDAY'S GOOD RISE on Wall Street in response to a Prime Rate reduction was extended at the outset yesterday, but subsequent profit-taking eroded most of the stock market's fresh improvement by mid-session. Trading remained very active.

Closing prices and market reports were not available for this edition.

The Dow Jones Industrial Average, up 7.71 the previous day, gained 2.25 more to $847.54 at 11.00 am yesterday before slipping back to $844.85, a net 0.44 below the overnight level. The NYSE All Common Index was just a marginal 2 cents harder at $58.20, after touching $58.30, while rises at mid-session retained a narrow lead over declines by a four-to-three margin. Turnover was a substantial 27.40m shares, but failed to match Tuesday's 1 pm level of 32.49m.

Continental Illinois Bank reduced its prime rate to 11¼ from 11¾ per cent, matching the move on Tuesday by Morgan Guaranty Trust and two small banks. Analysts said, however, that some investors are still not convinced an interest rate peak has been reached.

Investors are also worried about the size of an expected further oil price increase at the OPEC oil ministers conference later this month. A sharp rise would add to inflationary pressures and increase the risk of a serious recession, analysts added.

NLT climbed 2½ to $30¾. Ashland Oil has purchased an option to buy 3m shares of NLT at $30 each. Ashland slipped ⅜ to $42⅝.

Charter Co. added 1⅜ at $38 after about a 10-point gain on Tuesday. Charter expects a sharp profit improvement from its recently acquired Carey Energy unit.

Standard Oil of Ohio, however, retreated 2⅞ to $54⅞, British Petroleum ⅜ to $24⅛ and active Atlantic Richfield 1⅜ to $63¼. The House Ways and Means Committee has voted to add $1.2bn of windfall profits taxes on oil produced in Alaska.

Reliance Electric declined 1¼ to $60½. Directors have decided neither to support nor oppose Exxon's $72 a share take-over bid.

Among Glamours and Blue Chips, **Du Pont "A"** put on ⅜ to $129¼, **American Telephone** ⅜ to $58⅜ and **Sears Roebuck** ⅜ to $20, but **IBM** eased ⅛ to $77¼, **General Motors** ⅜ to $60⅛, **Alcoa** ⅛ to $55⅛ and **Eastman Kodak** ⅛ to $57⅜.

THE AMERICAN SE Market Value Index was still 0.43 higher at 196.47 at 1 pm, after reaching 196.59, on heavy volume of 3.72m shares (4.24m).

Bristol Brass jumped 5⅛ to $25¼. It plans to liquidate and distribute the gains to shareholders.

Energy issues were mixed. **Crestmont Oil** climbed 1⅜ to $15¾, **Numac Oil** 1½ to $31⅞ and **Sundance** 1⅛ to $30½, but **Dome Petroleum** eased ⅜ to $43⅞. **Houston Oil** ⅞ to $19⅞ and volume leader **Dynalectron** ⅛ to $12.

Canada

Stocks remained firmer-inclined in another large early business yesterday morning. The Toronto Composite Index gained 1.7 to 1,576.3 at noon, while Golds improved 19.5 to 1,845.2, Oils and Gas 4.1 to 2,754.3 and Banks 0.55 to 295.26. Papers, however, shed 0.66 to 163.86.

Oakwood Petroleum rose ⅛ to C$9. It has purchased a Calgary-based oil company.

Among Gold shares, **Dome Mines** rose C$1 to C$45¼, and **Denison Mines** ⅜ to C$26¼.

Tokyo

With investors showing some optimism about continued declines in the outstanding balance of margin trading debts over the past four weeks, share prices tended to pick up further yesterday, although trading on the First Market section remained light. Volume came to 170m shares (150m).

The Nikkei-Dow Jones Average regained 23.15 more to 6,120.31 and the Tokyo S.E. index was 0.30 firmer at 439.88.

"Although trading volume was small, transactions in such speculative stocks as Shippings, Oil Refiners and Coal Mines were generally energetic," one broker said.

Meanwhile, trading in the Second Market section was very active, because a lot of speculative funds, "hot money," have apparently circulated from the First section. Turnover in the Second section jumped to about 48m shares from about 19m shares on the previous session. The Second section stock index rose 18.60 to 768.72. Brokers said that in the Second section, Machinery Manufacturers, Chemicals and Motor Components were purchased on a broad front.

In Shippings, **Nippon Yusen Kaisha** advanced following reports that it has ordered a 69,700-ton vessel to transport Australian coal to Japan.

Paris

The market moved further ahead with some good gains being recorded, although business was only moderate. The Bourse Industrials index rose 1.2 more to 80.5.

Brokers said the good overnight performance on Wall Street had given a fresh boost to investor sentiment, as well as Prime Minister Raymond Barre's statement on Tuesday afternoon that the French Government will soon announce measures to offset the depressive impact of oil price increases in 1979 and 1980.

Oils and Banks were mostly lower in contrast to the generally firmer trend. Advances predominated among Portfolios, Foods, Constructions, Mechanicals, Electricals and Transportation issues.

The day's star performer was Electrical concern **Crouzet**, which closed 11 per cent above Tuesday's closing price. Trading in the stock was suspended at one point due to a lack of selling orders.

Saint-Gobain put on FFr 4 to FFr 135 after forecasting a rise of about 10 per cent in consolidated turnover for this year.

Also in demand were **Moet-Hennessey, Thomson Brandt, Maisons Phenix, Carrefour, Poclain, Bouygues, Hachette, Michelin "B", Galeries Lafayette, UTA and L'Oreal.** Moving lower were **Locabail, Saupiquet, Paris-France, Thomson-Ericsson, Elf-Aquitaine, Imetal and Penarroya.**

Germany

Bourse prices mainly took their recent rally a stage further in fairly active trading, with the Commerzbank index adding 2.3 at 739.1.

Dealers said there was good foreign support, but domestic investors were active both as buyers and sellers.

Stores registered the biggest gain as a group for the day, with **Kaufhof** rising DM 4 and **Horten** DM 3. **Deutsche Bank** climbed DM 1.70, while Steels had **Klockner** DM 3.50 higher. Among Engineerings, **KHD** moved ahead DM 2 and **MAN** DM 3.

Trade in **Lufthansa** stock, both common and preferred, was particularly active, with the common stock closing DM 2 firmer.

Public Authority Bonds were firmer on balance. The Bundesbank sold DM 50m nominal of paper (DM 22.7m). Mark Foreign Loans were steady to firmer.

Australia

With traders taking time to consider the implications of Tuesday's UK Budget, markets failed to form a decided trend yesterday in moderate activity, although Minings showed a slight bias to easier levels in the wake of lower London base metal prices.

Among Minings, **CRA** receded 7 cents to A$3.15, while **Bougainville Copper**, A$1.85, and **Metals Exploration**, 95 cents, declined 5 cents apiece, but **BH South** put on 2 cents more to A$1.60.

Hamersley fell 10 cents to A$2.55 and **Robe River** 5 cents to 93 cents on escalation of strikes at iron ore mines in the Pilbara region.

Gold stocks tended to ease, with **Poseidon** losing 4 cents to 85 cents and **GMK** 3 cents more to A$1.42, reflecting the lower overnight Bullion price.

Coals, however, were higher, **Thiess** adding 8 cents at A$3.40 and **Utah** 5 cents at A$6.10.

Uraniums had **Pancontinental** up 70 cents at A$11.60 and **Kathleen Investments** 5 cents harder at A$3.20, but **Peko-Wallsend** shed 6 cents to A$4.96.

On the Industrials board, **BHP** managed another gain of 4 cents at A$9.18.

CSR, after advancing 16 cents on Tuesday, rose afresh to A$4.20 before ending 5 cents higher on the day at A$4.13. The stock's activity was caused by traders anxious to buy into the company before it goes ex-dividend and ex-rights next Monday.

News that the five-year battle between the board of **Marra Developments** and several ordinary shareholders had been settled saw the stock gain 2 cents to 25 cents on a turnover of 100,000 shares in Sydney. Another situation stock, **Manufacturing Investments**, rose 10 cents to A$1.25, exceeding Clyde's offer for the company's shares by 10 cents.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
✦ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

JOHANNESBURG

TUESDAY'S ACTIVE STOCKS

NEW YORK

CANADA

† Bid. ‡ Asked. § Traded. ‖ New stock.

GERMANY ◆

June 13	Price DM.	+ or −	Div. %	Yld. %
AEG	49.4	−1	—	—
Allianz Versich.	435	+4	31.2	3.6
BMW	203.0	......	28.12	6.9
BASF	135.8	−0.2	18.75	6.9
Bayer	135.8	−0.3	18.75	6.9

TOKYO ¶

AUSTRALIA

STOCKHOLM

OSLO

JOHANNESBURG

AMSTERDAM

BRUSSELS/LUXEMBOURG

SWITZERLAND ✦

COPENHAGEN ♣

VIENNA

MILAN

PARIS

BRAZIL

SPAIN ♥

Financial Rand U.S.$0.89 (Discount of 25%)

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Banks Ltd.	12 %
Amro Bank	12 %
American Express Bk.	12 %
A P Bank Ltd.	12 %
Henry Ansbacher	12 %
Associates Cap. Corp.	13 %
Banco de Bilbao	12 %
Bank of Credit & Cmce.	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½%
Barclays Bank	12 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12 %
Canada Perm't Trust	12 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
Credit Lyonnais	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont	12 %
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bk. of Scot.	12 %
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	13½%
Lloyds Bank	12 %
London Mercantile	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Rossminster	12 %
Ryl. Bk. Canada (Ldn.)	12 %
Schlesinger Limited	12 %
E. S. Schwab	13 %
Security Trust Co. Ltd.	13 %
Shenley Trust	14 %
Standard Chartered	12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%, 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10% and over £25,000 10½%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

COMMODITIES AND AGRICULTURE

'Famine' warning in Zambia

By Michael Holman

USAKA — Zambia's maize ocks are down to 14 weeks' pply, Mr. Daniel Luzongo, neral manager of the National gricultural Marketing Board, arned yesterday.

The 1979-80 crop will not be rvested until early next year d the probability that supplies this staple food will run out October has forced Zambia to ice orders in South Africa, nya, and Tanzania, and appeal friendly countries for assis- ice.

Malawi has been the first to spond, with a gift of 15,000 mes. A shipment of 50,000 mes is due from South Africa, t congestion on the railway s held it up.

An editorial in the Govern- nt-owned Times of Zambia lared yesterday: "Drastic ion is needed if the threat famine in Zambia is to be rted."

The need for maize, as well as tiliser, before the rains start December, together with blems on both the southern way route through Rhodesia the Tanzania-Zambia rail- to the port of Dar es Salaam, led to considerable specula- here that Zambia may be ed to reopen road links with desia, which have been ed since 1973.

EEC 'should id sugar pact'

UK Government believes European Community ld help stabilise world r prices at mor esatisfac- levels, Lord Sandys, agri- iral spokesman, told the se of Lords yesterday.

said the subject would be ssed between th eEEC and bers of the International r Agreement.

rd Sandys had been asked Lord Robertson to seek, gh the Council of sters, a cut in the amount money the Community ds on subsidising exports rplus sugar, to the detri- of overseas producers.

Brussels, the EEC Com- on authorised exports of 0 tonnes of white sugar 00) at a maximum export e of 29.58 European cur- units per 100 kilos (29.571

Fresh upsurge in coffee

BY RICHARD MOONEY

COFFEE FUTURES prices rose sharply on the London and New York markets yesterday as dealers awaited the first official estimate of the damage done to the Brazilian crop by last month's frost.

The September quotation on the London robusta market ended the day £71 higher at £1,933.5 a tonne, the highest level for more than a year. Earlier September coffee had climbed to £1,950 a tonne.

Sr. Octavio Rainho, president of the Brazilian Coffee Institute, said in Rio de Janeiro that he planned to announce the results of the institute's frost damage survey at a Press conference yesterday.

Early trade estimates following the frost put the damage to the 1980-81 crop at 8.5m bags (60 kilos each) but subsequent estimates have gradually reduced this figure. At the weekend traders said they thought about 5.3m bags had been lost from the 1980-81 harvest and 1m in the current season. However, many local market sources were predicting yesterday that the IBC survey would show a higher level of damage.

Nervousness ahead of the IBC announcement also triggered covering purchases against "short" positions on the London market which in turn attracted fresh buying orders.

The rise was further encouraged by reports that the Ivory Coast and Cameroon had temporarily withdrawn from the market but these reports were denied by London traders with close connections in these countries.

Meanwhile, prospects for further frost outbreaks in Brazil have continued to fade. The minimum temperature in the southern coffee-growing state of Parana on Tuesday night was 15 degrees Centigrade and Weather Department sources said they expected the weather to remain mild. At 8 a.m. yesterday morning temperatures in Brazil's coffee regions ranged between 12 and 19 degrees Centigrade.

Nervousness ahead of the Brazilian damage report also affected trading on the New York market. In early dealings forward prices quickly climbed the four cents a kilo daily limit to reach new life-of-contract highs. The July position, on which there is no limit, gained 5.42 cents to 191.5 cents a lb.

Strong rally in lead and copper markets

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER AND LEAD prices rallied strongly yesterday defying the upward trend in the value of sterling, which would normally have been a depressing influence.

Cash lead jumped by £30.5 to £695.5 a tonne, increasing its premium over the three months quotation which gained £18 to £635.5. Dealers claimed that supplies immediately available remained very scarce, and new buying interest attracted at the lower price levels had found a general absence of sellers.

It was thought that the market may have been oversold by speculators in the past few days as prices declined and they were now finding difficulty in covering these sales by matching purchases.

The upward trend in lead was also encouraged by the recovery in copper. After opening lower copper prices advanced steadily as new buying interest came in and the upward move gained further strength when New York market values moved higher as well. Cash wirebars rose by £21 to £902 a tonne.

Speculative selling, mainly from the U.S., had been the dominant influence in depressing prices, but there has been some heavy trade buying on the London market recently.

It is suggested that the decline in precious metals, which continued yesterday, might encourage some switching into copper instead.

The London silver bullion spot quotation was reduced by 11.6p to 395.80p an ounce at the morning fixing, reflecting the downturn in gold. Free market platinum values also fell.

New fall in hides prices

By Our Commodities Staff

HIDES PRICES fell again on the Leeds market yesterday as demand continued to weaken.

Ox prices were up to 5p a kilo lower with the 26-30.5 kilos second clear price trading at 92p, 15p below the all-time peak reached just over a month ago.

Dealers said there was little or no Continental buying and the Russians stayed out of the market. Domestic buying interest was very limited, they added.

The Eastern bloc buying which boosted prices earlier this year appeared to have crippled domestic sales, the traders said. Continental buying is not likely to pick up until after the summer holiday season, they said.

The market has been looking vulnerable for two or three weeks, one dealer commented, but the kill has not been very great. "Now a surplus is developing in the absence of Continental buying, and this is pushing prices lower."

Drought hits Indian tea production

By Our Calcutta Correspondent

NORTH INDIAN tea output is currently running at least 25m kilos behind the previous year's figure at this time according to industry sources here.

North Indian output up to last April totalled 19.2m kilos compared with 27m kilos during the first four months of last year. However, South Indian output for the first four months this year was some 7m kilos higher than last year's which almost made up for the deficit in the north during May.

The severity of the current drought has seriously hit tea output in upper Assam which produces almost half the North Indian tea.

Offerings of tea at Calcutta auctions have been dropping in recent weeks, a trend the local dealers attribute directly to the effect of the drought on North Indian tea output.

Leaf tea offerings at Calcutta auctions up to the end of May totalled 4m kilos compared with 8.4m in the same period of last year.

UK AGRICULTURE

'Green £' change in the wind

BY CHRISTOPHER PARKES

Mr. Peter Walker

MR. PETER WALKER, Minister of Agriculture, is hoping to ask for a devaluation of the "Green pound" at his first full meeting with his European Community counterparts in Luxembourg next Monday and Tuesday.

It is understood that an adjustment in the value of this notional currency in which EEC farm prices are translated into sterling, has been approved by a Cabinet sub-committee and that final blessing will be sought at a full Cabinet meeting in London today.

Given approval, the Minister may announce his plan, but without detailing the extent of the devaluation he is seeking, during Friday's agricultural debate in the Commons.

Devaluations raise farmers' incomes indirectly by increasing the support buying prices for major commodities such as grains, beef, sugar and dairy products. Increases in retail food prices also eventually filter through to consumers.

Farmers have been asking for a 10 per cent devaluation which would raise prices by about the same amount, but something closer to 5 per cent is expected.

And it is unlikely that the full devaluation would apply to all commodities at the same time.

One of the more likely schemes would be to arrange for the change to be applied to pigmeat and bacon immediately, with other commodities being affected later in the year. For milk, for example, the most sensible time for a change would appear to be in the autumn.

This scheme would bring some relief to the bacon industry, which claims to suffer severely from the monetary compensatory amount subsidies paid on bacon coming in from Denmark, Holland and Ireland. Devaluaton would reduce these subsidies and bring increases in bacon prices which might then be passed back to pig farmers.

And if the change were not applied to cereals until later in the year that would give pig men a spell when they might expect higher prices for their stock without having to pay more for cereal feed.

The effects of a 5 per cent devaluation, approved by the EEC Council earlier this year when Labour was in power, are still working their way through to farmers.

Justification for a change is not hard to find. A recent report from the North of Scotland College of Agriculture said bank borrowing by farmers is expected to reach new record levels this year as they absorb a swingeing round of cost increases.

Fertilisers, feed, chemicals, machinery and transport costs will all rise steeply this year.

Last year, Government figures show, farmers' real incomes fell 11 per cent, compared with a 2 or 3 per cent increase in real earnings in other industries.

And in the wake of the Budget, the National Farmers' Union, which had been hoping for tax reliefs and other incentives, glumly announced that the Chancellor's plans would add a further £50m a year to agriculture's costs, making devaluation "imperative."

To add to farmers' troubles, the long winter and the late spring have severely reduced cash flow. Crops are behind schedule, many acres of grain had to be re-sown because frost killed young plants, and the grass has been slow to grow, forcing livestock producers to buy in expensive manufactured feed. There are more possible dangers in store. Haymaking and conservation of silage have been slow to start.

But whatever the farmers' needs, a devaluation would fuel the inflationary spiral affecting consumers. Prices of butter, cheese and sugar would rise quickly while the impact on beef and cereal products would probably be dissipated, or at least delayed. Beef prices are currently so high that a rise in support buying prices following devaluation would have little discernible impact at retail level.

Beef is now 15 per cent dearer than a year ago, and increases in the wholesale pipeline have yet to be passed on to shoppers who are showing signs of buying less.

While the effects on consumers are serious enough, Mr. Walker could well run into a storm of opposition from his colleagues in Europe.

He has already made it plain that he intends to insist on a general freeze in EEC prices for commodities in surplus at this year's review. Applied in Germany, for example, such a standstill would bring a reduction in real farm earnings.

But the British Minister, whose farmers have already benefited from one devaluation this year, is seeking even higher prices for them through monetary manuipulations.

The other ministers will not take kindly to the notion of special treatment for Britain, and although they would not be likely to veto any attempt at devaluation, they would certainly make it their business to apply every possible pressure on the "new boy" from London and squeeze every possible concession from his for "permitting" him to devalue.

The French minister, for example, who adamantly rejects the Commission's call for a price freeze, can be counted on to make the most of any opportunity presented by Mr. Walker.

An experienced Council hand, and adept "horse-trader" he will probably agree to a devaluation for Britain, if Mr. Walker softens his support for Commissioner Gundelach's stringent price restraint proposals.

Australian wool stockpile falls

BY OUR COMMODITIES STAFF

THE AUSTRALIAN wool stockpile fell at end-May to the lowest level since soon after the "floor" support price scheme was introduced in September 1974, according to the Australian Wool Corporation, reports Reuter.

In its May Monthly Perspective publication the Corporation said its stocks had fallen to 382,200 bales from 430,515 bales at end-April. This compares with slightly under 1m bales in May 1978 and a peak stockpile of 1.9m bales in November 1975.

The Corporation said Australian wool exports rose 19.7 per cent to 513.55m kilos greasy equivalent in the first three quarters of the 1978/79 season compared with the previous July-March period.

It said exports to Japan rose 15 per cent to 148.58m kilos while Soviet purchases were up by 48 per cent.

Other features of wool export performance were sharp rises in shipments to Taiwan, the U.S. and South Korea.

Wool exports to South Korea, Taiwan and Hong Kong are expected to continue to expand as the textile industries in those countries move to upgrade quality, the corporation added.

Development of the textile industries of the lower-cost Asian countries should also contribute to a further steady growth in the share of wool exports to the area as a whole.

The AWC said the share of Australian wool exports to south and east Asia, excluding Japan, had risen to 10.6 per cent of total exports in the 1977-78 season from 7.8 per cent in 1970-71.

This region is one of the most significant growth areas in wool textile activity, particularly South Korea, Taiwan, Hong Kong and India, mainly due to low labour costs.

It noted China, which has a large, well-trained cheap workforce, has emerged as a potentially strong competitor in the international textile market.

A further shift in the source of low-cost textiles and apparel is under way, the AWC said. This is to countries such as China, Sri Lanka, Mauritius, Malaysia, Thailand, Indonesia, Mexico and Brazil.

Geelong prices for Merino fleece were up to 2.5 per cent dearer compared with yesterday's interstate values, dealers said.

The trade purchased 93.5 per cent of the offering, the AWC 4.5 per cent and 2 per cent was passed in.

BRITISH COMMODITY MARKETS

BASE METALS

TIN—Gained ground owing to a rise in the Penang market and a tightening in the nearby supply situation. Forward metal opened around £7,100 and edged higher to close the late kerb at £7,135 with covering against U.S. physical business in evidence in the afternoon. Turnover 600 tonnes.

LEAD—Sharply higher in active trading. After an uncertain start which saw forward metal quoted around £611 the price advanced strongly to touch £644 on the late kerb before a close of £641. The strong advance was fuelled by the rise in copper, fresh buying, reported physical demand and speculative buying which prompted short covering. There were also reports of renewed East European physical enquiry. Turnover 12,575 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	685.6	+20.5	695.5	-30.5
3 months	626.7	+7	635.7	+18
Settlem't	686	+20.5	—	......
U.S. spot	...	...	*54.8	......

COCOA

COFFEE

GRAINS

SILVER

WOOL FUTURES

Index Limited 01-351 3466. Sept. Coffee 1927-1940
mont Road, London, SW10 0HS.
. Tax-free trading on commodity futures.
. The commodity futures market for the small investor.

CORAL INDEX: Close 487-492

INSURANCE BASE RATES

Property Growth	11%
Vanbrugh Guaranteed	10.87%

Address shown under Insurance and Property Bond Table

PRICE CHANGES

In tonnes unless otherwise stated.

RUBBER

SOYABEAN MEAL

SUGAR

COTTON

MEAT/VEGETABLES

AMERICAN MARKETS

NEW YORK, June 13.

COPPER RALLIED sharply to close at and near limit up bid on aggressive Commission House and speculative short covering. Precious metals closed higher on renewed Commission House and some Chartist buying near the close. Coffee closed sharply higher in mixed buying on rumours of cold weather forecast for tomorrow and expected crop damage estimates by the IBC. Cocoa eased on Commission House stoploss selling, Bache reported.

Cocoa—July 146.55 (149.55), Sept. 146.80 (152.78), Dec 152.35, March 153.70, May 154.80, July 155.80, Sept. Nil.

Copper—June 84.20 (81.20), July 84.45 (81.45), Aug 84.70, Sept. 84.90, Dec. 85.80, Jan. 85.80, March 86.00, May 86.00, July 86.00, Sept. 86.00, Dec. 86.00, Jan. 86.00, March 86.00

*Gold—June 279.60 (275.90), July 281.00 (277.20), Aug. 283.00, Oct. 287.40, Dec. 291.80, Feb. 296.20, April 300.60, June 305.00, Aug. 309.40, Oct. 313.70, Dec. 318.00, Feb 322.30, April 326.60.

*Platinum—June 428.80 (420.60), July 427.80 (417.80), Aug. Nil, Oct. 428.60, Jan. 430.80, April 433.50, July 436.30, Oct. 439.00, Jan 441.70.

Potatoes (round whites)—Nov. 61.0 (61.5), Mar. 68.3 (68.7), April Nil, May

§Silver—June 841.5 (832.0), July 844.0 (840.0), Aug. 851.2, Sept. 856.4, Dec. 877.4, Jan. 883.0, Mar. 894.4, May 905.8, July 917.2, Sept. 928.6, Dec. 945.8, Jan. 952.2, Mar. 963.9.

Aug. 42.92 (42.25), Feb. 49.25, March 49.25, May 50.00, July 50.60, Aug. 48.77. Sales: 9,462.

Shell Eggs—June 56.00 (55.95), July 57.45 (56.50). Aug. 57.00, Sept. 61.15, Oct. 57.75, Nov. 61.50, Dec. 63.60. Sales: 33.

Silver—June 847.5-8.0 (837.0), July 849.0 (840.0), Aug 853.5-2.0, Oct. 867.5-1.5, Dec 883.5-7.0, Feb. 895.0-8.0, April 913.0, June 924.0, Aug. 935.5 nom., Oct. 937.0, Dec. 958.5, Feb. 970.0 nom., April 981.5 nom., June 993.5 nom., Aug. 100.55 nom., Oct. 101.80 nom., Dec 103.05 nom., Feb. 104.30 nom., April 105.60.

Soyabean Meal—July 208.50-8.30 (203.70), Aug. 209.00-8.10 (205.60), Sept. 210.00-9.30, Oct. 202.10-1.50, Dec. 216.00-4.50, Jan. 216.00, March 218.50, May 219.50, July 218.00-8.50.

Soyabean Oil—July 26.71-.73 (26.49), Aug. 26.95 (26.71), Sept. 27.16, Oct. 27.15-20, Dec. 27.25-30, Jan. 27.28-25, March 27.40-35, May 27.40-45, July 27.45-50, Aug. 27.40-45.

‡Wheat—July 422½-421½ (408), Sept. 427-427½ (411½), Dec. 438-439½, March 446-447, May 443-444, July 424½.

WINNIPEG, June 13. §Rye—July 119.00 asked (117.20 asked), Oct. 118.50 (116.90 asked), Dec. 118.60 asked, May unq.

§Barley—July 99.30 (99.10 bid), Oct. 95.80 bid (94.40), Dec. 92.30, March 92.10 bid, May 91.60

§Oats—July 94.40 asked-50 (94.30 asked), Oct. 92.40 asked (92.50 bid),

Wednesday's closing prices

EUROPEAN MARKETS

Soyameal—44 per cent protein. U.S.

July 1,135-1,143. Sales at call 10.

INDICES

FINANCIAL TIMES

June 12	June 11	M'nth ago	Year ago
293.92	298.39	276.16	246.77

(Base: July 1, 1952=100)

MOODY'S

June 12	June 11	M'nth ago	Year ago
1090.2	1097.5	1063.0	925.6

(December 31, 1931=100)

DOW JONES

Dow Jones	June 13	June 11	Month ago	Year ago
Spot	412.70	417.85	392.50	356.36
F'tur's	416.93	423.39	395.63	348.13

(Average 1924-25-26=100)

REUTERS

June 13	June 12	M'nth ago	Year ago
1622.8	1629.5	1566.0	1508.8

(Base: September 18, 1931=100)

Delicious jumble pack 22 lb 1.20-1.40 Pears—S. African: Cartons Beurre Bosc 7.00, Packham's 8.30, Nelis 6.60. Winter Nelis, cases 7.50; Chilean: Winter Nelis 6.80; Victorian, Josephines 8.50-8.60, Packham's 9.20. Bananas—Jamaican: Per 26 lb 4.20-4.40. Grapes—S. African: Cartons, Barlinka 5.00, Emperor 5.20. Almoria 5.50; Israeli: Perlette 4.00; Cypriot: Cardinal per pound 0.50. Peaches—Spanish: D/C/B's 3.00-4.00; Italian: 3.00-5.00 Apricots—Spanish: 2.50-3.60. Strawberries—Italian: Approx. ½ lb punnets 0.17½-0.20 Cherries—French: Per pound 0.30-0.35; Italian: 0.45-0.50. Avocados—S. African: 2.60-3.00. Onions—Dutch: 2.20-3.20; Chilean: 4.50; Canary: 4.50; Israeli: 3.60-3.90. Texan: 4.30; Spanish: 3.50. Tomatoes—Jersey: Per tray 2.60-2.80; Dutch: 2.80-

Brittany: 5.00-5.40. Capsicums—Canary: 5 kg 3.00-3.20; Spanish: 6 kg 3.50. Dutch: 5 kg 3.30-3.50. Carrots—Cypriot 28 lb 3.50-3.80. Italian: Approx. 22 lb 2.60-3.00; Texan: Per pound 0.15. French: 12 kg 3.60. Asparagus—Californian: Per pound 0.90-1.00; Hungarian: 0.90 Melons—Israeli: Yellow 6.00; Spanish: Small trays, green 2.30-3.00 Water-Melons—Israeli: 4/6's 3.25-4.00 Gooseberries—Hungarian: Per 6 kg box 3.20. Plums—Spanish: Santa Rosas 3.50-5.00.

English Produce: Potatoes—New crop per pound 0.10-0.11, old crop per 25 kg 2.20-3.20. Lettuce—Per 12 round 1.00, Cos 1.60. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.05-0.09 Beetroot—Per 28 lb 1.00, long 1.50. Carrots—Per 28 lb 1.80-3.20.

Fears about inflation and political conflict after Budget takes 12.5 off equity index at 488.9—Gilt falls to £3⅝

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
June 4	June 14	June 15	June 26
June 18	June 28	June 29	July 10
July 2	July 12	July 13	July 24

* "New time" dealings may take place from 9.30 am two business days earlier.

Inflationary worries and fears of political conflict in the wake of the first Tory Budget led to thoroughly despondent stock markets yesterday. Following the jump of 2 to 14 per cent in Minimum Lending Rate, Government stocks tumbled and the long tap was activated for he first time at £90, some 5½ points below the overnight close. The stock was immediately exhausted, while leading equities weakened progressively and settled only slightly above the day's worst. Overseas issues wilted as well, especially South African gold shares, adjusting to the sharply lower investment currency premium which dropped to an effective rate of only 14½ per cent, almost halved in the six weeks *since the General Election.*

Gilt-edged securities were opened some 3 to 4 points down generally apart from the long tap Treasury 11½ per cent 2001/04. An accumulation of investment orders, reputed to total around *£1bn, at sharply lower prices for* this particular stock exhausted the Government broker's supplies and the quotation rallied to £92½ before easing again late to close with a net fall of 3¾ at £92. Other gilts adopted a similar course and ended with losses extending to 3½, although the short-dated *low-coupon Exchequer* 3 per cent dropped 5 points to 77¼. The FT Government Securities index closed 1.70 down at 71.15, its lowest since March 15 and over 6 per cent off its 1979 high of 75.91 recorded on May 4.

Equities also closed very depressed although most leaders ended a shade above the day's lowest. Initial losses of only a few pence were soon extended to double-figures as selling increased with sentiment undermined by the further squeeze on profit margins of the big exporting concerns because of sterling's strength. Most institutional *operators remained on the sidelines* awaiting a clearer picture to emerge but there was little doubt that some small public investors were nervous about the economic and political situation. Measuring the day's trend, the FT 30-share index began 3.8 off and by 2 pm was registering a fall of 14.1 before a close of 12.5 down on balance at 488.9, the first time it has been below 500 since March 7.

Weighty selling of investment currency followed the proposed relaxation in exchange control regulations. The premium dropped to 37½ per cent before sufficient institutional support developed to arrest to downturn and, despite the late strength of sterling, rates recovered to around 41 per cent at the close, a fall of 9½ points on the day. Yesterday's SE conversion factor was 0.8908 (0.8154).

More interest was shown in the Traded Option market and the number of contracts completed rose to 1,269 from 1,008 on Tuesday. A good business was transacted in **GEC** in which 342 deals were done, while **Courtaulds** recorded 148 and **Marks and Spencer** 143.

Banks retreat

Having risen sharply immediately after the Budget in anticipation of an early rise in their base lending rates, the major clearing banks retreated in sympathy with the general trend. **Barclays** finished 18 lower at 450p as did **Lloyds**, to 320p, while **Midland**, 415p, and **NatWest**, 355p, fell 15. The sharp drop in the investment currency premium depressed overseas issues in which double-figure falls were also commonplace. **ANZ** fell 22 to 268p **Bank of New South Wales** 19 to 206p, and **Commercial Bank of Australia** 14 to 146p, *while* **Algemene** dropped 6½ points to £90. Still reflecting the new credit squeeze measures, Hire Purchases gave ground throughout, **Lloyds and Scottish** and **Provident Financial** lost 9 to 119p and 89p respectively, while **Wagon Finance** relinquished 3½ to 41p. Recently firm *on buying ahead of the forthcoming annual results,* **Hambros** succumbed to profit-taking and fell 19 to 294p among Merchant Banks.

Closing falls in Insurances ranged to 12, with Lloyds Brokers particularly unsettled by fears of the effect on earnings exerted by the strength of sterling. **Willis Faber** dipped 8 to 228p and **Bowring** lost 7 to 120p.

Consideration of the Budget proposals prompted a fair amount of selling of Brewery shares after the previous day's late upward flurry. **Bass** ran back 4 to 213p and **Scottish and Newcastle**, a recent speculative favourite, lost 2½ to 69½p. Elsewhere, **Distillers** weakened 6 to 217p on fears about its overseas earnings and the increase in interest rates.

Building issues encountered persistent selling on fears of increased mortgages and on the Chancellor's proposal to cut the support grant to local authorities. **Taylor Woodrow** fell 25 to 380p, **Costain** 12 to 166p and **Wimpey** 4½ to 81p. **Barratt Developments** closed 8 cheaper at 110p and **Federated Land and Building** gave up 4 to 69p. **International Timber** ended 6 down at 126p following the £6.3m cash call which accompanied the interim results. **Blue Circle** declined 10 to 314p and **BPB** shed 12 to 302p. Against the trend, **Burnett and Hallamshire** found support and firmed 7 to 400p; the annual results are due next Wednesday.

A steady stream of selling left **ICI** with a fall of 9 at 360p, and **Fisons** shed 8 to 259p. Despite the satisfactory annual results, **British Benzol Carbonising** gave up 3 to 46p, after 45p.

Stores fall further

Stores remained depressed by *the steeper-than-expected increase in VAT.* Fears as to the effect on sales prompted early selling, some of which was institutional, which took prices lower and further double-figure falls were added to those sustained on Tuesday. **Burton A** fell 18 more to 248p, while **Gussies A**, 374p, and **British Home**, 252p, lost 14. **English** dipped 8 to 134p and **House of Fraser** cheapened 6 to 174p. Mail-order concerns continued to wilt with **Freemans** closing 14 lower at 180p, **Grattan** 7 easier at 119p and **Empire** 8 off at 228p. **Moss Bros.** lost 22 afresh to 265p and **Millets** declined 12 to 186p, while recent speculative counter **Wearwell** softened 7 to 32p. In complete contrast, **W. Goodkind** were marked up 15 to 32p on the announcement that Messrs. Wootliff, Henton, Frazer and Binns have between them acquired a 29.9 per cent stake in the group from the Goodkind Family Trusts at a price of 18p per share.

Electricals recorded widespread and sometimes substantial losses. Overseas earners were prominent in the setback with **GEC** reacting 15 to 365p among the leaders. **Racal** dipped 17 to 465p, while **Decca A**, down 15 more at 285p, were not helped *by a report that the company* was unable to afford a pay deal with its white-collar and manual workers due to cash flow problems. In smaller-priced issues **Dreamland** gave up 5 to 45p.

Engineers took a distinct turn for the worse, with **John Brown**, down 20 at 499p, particularly vulnerable to selling because of fears about its overseas earnings. Elsewhere in the leaders, falls of around 8 were marked against **GKN**, 265p, **Hawker**, 206p, and **Tubes**, 380p. Losses were fairly substantial throughout secondary issues. **Babcock and Wilcox** *dipped 12 to 156p,* while **Averys** closed 8 cheaper at 270p, after 266p. Awaiting today's annual results, **Staveley** gave up 6 to 326p. Lower interim profits left **CompAir** 2 cheaper at 75p, but **GEI International** continued to reflect satisfaction with the preliminary results and hardened a *penny more to 93p.*

The majority of Foods encountered persistent selling, but sometimes finished a penny or so above the worst on bear-closing. Sterling influences unsettled **Rowntree Mackintosh** which shed 17 to 418p, after 415p. **Associated Biscuit** came under pressure and eased 3 to 72p and **United Biscuits** fell 4 to 84p. Up 11 on Tuesday on speculative demand, **George Bassett** eased 3 to 118p, while profit-taking left **Bernard Matthews** 9 cheaper at 268p and **Avana** 4 off at 100p. Among Supermarkets, **Associated Dairies** lost 10 to 275p, but **Sainsbury** held up fairly well and eased only 3 to 332p.

News that the group's casino licences hearing had been adjourned had no apparent impact on **Ladbroke** which closed 10 cheaper at 206p.

Misc. leaders flat

Following overnight consideration of the Budget, miscellaneous Industrials opened lower and swiftly extended their falls in sympathy with the collapse in the gilt-edged market. Concern about their overseas earning potential in the wake of the fresh rise in sterling additionally depressed **Reckitt and Colman** which gave up 11 to 465p and **Beecham**, recently weak on disappointing results, a further 17 lower at 545p, after 543p. Ahead of preliminary results, due tomorrow, **Pilkington** receded 19 to 318p. **Unilever** fell 18 to 596p and **Glaxo** 13 to 482p. Still reflecting the poor results, **Metal Box** lost 12 more to 298p. Elsewhere, **Bestobell** eased 5 to 202p following the company's rejection of the **BTR** bid approach; the latter lost 10 to 318p. **Wedgwood** fell 6 to 88p on the results, while consideration of the possible sale of the NEB's 24.42 shareholding left *ICL 9 down at 478p.* The VAT rise unsettled **Hoover "A"** which gave up 10 to 173p, while **De La Rue** fell 13 to 487p and **Diploma Investments** relinquished 11 to 293p. **Sotheby's**, on the other hand, rose 5 to 336p, after 340p, on reports that fine art dealers have decided not to go ahead with a claim *for an* injunction banning the 10 per cent premium. Recently-tipped **Central Manufacturing and Trading** added 5 to 74p and **IAS Cargo** gained 6 to 137p.

Barr and Wallace Arnold "A" dropped 14 to 126p in a thin market.

The Chancellor's proposal to reduce the allowance basis for leased cars prompted widespread falls in Motor Distributors. **Lex** shed 5 to 89p, after 87½p, while **Harold Perry** fell 18 to 146p and **Hanger** 9 to 68p. **Hartwells** and **T. C. Harrison** cheapened 7 apiece to 106p and 141p respectively, while **Godfrey Davis** relinquished 6½ to 120p and **Wadham Stringer** 5 to 35½p. Among Components, **Dowty** shed 14 for a two-day fall of 20 to 319p, after 317p.

Saatchi and Saatchi touched 225p on the improved interim profits and proposed 50 per cent scrip issue, but subsequently drifted off to close 2 cheaper on balance at 218p. Publishers **Websters** and **Pyramid** shed 4 apiece to 59p and 46p respectively.

Consideration of dearer money following the proposed 2 per cent rise in Minimum Lending Rate prompted widespread selling of Property issues. Falls of 8 were marked against **Land Securities**, 284p, and **Haslemere**, 312p, while **Stock Conversion** shed 9 to 365p. **Great Portland Estates**, annual results today, declined 10 to 290p. Recent *speculative favourite* **Imry** gave up 30 to 680p.

BP sold again

British Petroleum, down 30 more at 1,164p, remained a particularly depressed market on the Government's proposal to sell a further part of its holding in the company. Dollar premium influences prompted a reaction of 3 points to £37 in **Royal Dutch**, but **Shell** rallied to close above the worst at 362p, down 8, after 356p. North Sea issues were adversely affected by the increase in the Petroleum Revenue Tax. **Lasmo** reacted 10 to 222p and the **OPS** 40 to 735p, while **Siebens (UK)**, 200p, and **Oil Exploration**, 262p, gave up 14 and 8 respectively.

Reflecting the general setback in equities, Trusts gave ground on a broad front. Among Financials, **Robert Kitchen Taylor** were called 17 lower at 183p *following the interim statement.*

Textiles tended easier while, in Tobaccos, **Bats** reacted 13 to 269p with the Deferred a similar amount cheaper at 247p.

South African Industrials fell sharply in sympathy with the decline of the investment currency premium. **Barlow Rand** were a notable casualty at 280p, down 33, while **Tiger Oats** fell 75 to 500p, **OK Bazaars** gave up 50 to 390p and **Gold Field Properties** dropped *12 to 63p.*

Heavy losses in Golds

South African mining issues sustained one of their biggest ever one-day falls following the slump in the investment currency premium and the decline in the bullion price.

Prices were marked down at the outset owing to the lower premium and on heavy overnight American selling. Thereafter, they lost further ground in line with the premium and subsequently following renewed U.S. selling after the official close. However, as the latter dried up prices managed to close a fraction above the day's lowest.

Nevertheless the Gold Mines index showed a 26.4 loss at 174.5, while the ex-premium index dropped 8.4 to 155.4.

Heavyweights showed **Randfontein** £4½ down at £27½, while *falls of well over £2* were common to **Vaal Reefs**, £16½, **West Driefontein**, £24⅞, **Free State Geduld**, £12¾, and **Western Holdings**, £17½.

Among medium priced stocks, losses of between 100p and 150p were seen in **Buffels**, 841p, **East Driefontein**, 740p, **Kloof**, 666p, ***Winkelhaak***, *659p and* ***Western*** **Deep**, 834p.

South African Financials also fared badly. **"Amgold"** dropped £3½ to £18¾, **Gold Fields of South Africa** £2½ to £18½, **Anglo American** 55 to 387p, and **De Beers** 50 to 390p. **Union Corporation** gave up 57 at 393p.

London Financials reflected the sharp decline in the UK equity market. **Gold Fields** dropped 14 to 245p with sentiment also affected by the heavy losses sustained by the gold share market.

FINANCIAL TIMES STOCK INDICES

	June 13	June 12	June 11	June 8	June 7	June 6	A year ago
Government Secs.	71.15	72.85	72.85	72.60	73.16	72.91	70.63
Fixed Interest	72.77	74.37	74.48	75.00	75.13	75.07	72.49
Industrial	488.9	501.4	503.9	503.2	514.0	516.9	471.8
Gold Mines	174.5	200.9	204.8	201.8	206.5	208.4	158.3
Gold Mines (Ex-$ pm)	155.4	163.8	169.5	164.7	166.7	169.5	105.3
Ord. Div. Yield	6.04	5.88	5.84	5.84	5.75	5.71	5.60
Earnings, Yld. % (full)	15.90	15.48	15.39	15.39	15.08	15.04	16.32
P/E Ratio (net) (*)	8.04	8.27	8.32	8.32	8.49	8.51	8.20
Total bargains	20,648	15,583	17,722	16,883	16,766	16,911	—
Equity turnover £m.	—	62.06	69.39	99.02	90.97	80.57	73.92
Equity bargains total	—	11,837	14,576	14,369	14,251	13,481	15,239

10 am 497.6. 11 am 494.6. Noon 491.7. 1 pm 489.1. 2 pm 487.3. 3 pm 488.5.

Latest Index 01-246 8026.

*Nil=7.73.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	169.5 (6/6)	95.2 (2/11)	337.1 (3/4/74)	54.3 (26/6/76)

S.E. ACTIVITY

	June 13	June 12
—Daily		
Gilt Edged	128.5	106.6
Industrials	140.1	148.3
Speculative	30.8	34.7
Totals	95.4	92.6
5-d'y Av'r'ge		
Gilt Edged	113.0	108.3
Industrials	142.4	143.8
Speculative	35.7	39.8
Totals	93.9	94.2

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (8)

BUILDINGS (2)
Burnett Hallamshire Finlan (J.)
ENGINEERING (1)
Birmingham Mint
INDUSTRIALS (3)
IAS Cargo [illegible] Conv. [illegible]
County & District [illegible]
PROPERTY (1)
TRUSTS (2)
Aberdeen Invs. London & Liverpool

NEW LOWS (163)

BRITISH FUNDS [illegible]
FOREIGN BONDS [illegible]
AMERICANS [illegible]
CANADIANS [illegible]
BANKS [illegible]
BUILDINGS [illegible]
CHEMICALS [illegible]
ELECTRICALS [illegible]
ENGINEERING [illegible]
FOODS [illegible]
HOTELS [illegible]
INDUSTRIALS (20)
INSURANCE (4)
MOTORS (5)
PAPER & PRINTING (2)
PROPERTY (4)
TEXTILES (3)
TOBACCOS (2)
TRUSTS (15)
OILS (2)
OVERSEAS TRADERS (2)
MINES (8)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpn. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial & Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	[illegible]	1,600	[illegible]

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1100	90	6	120	—	178	—	1159p
BP	1150	60	18	96	10	—	—	"
BP	1200	32	16	74	8	128	—	"
BP	1300	6	6	40	—	80	—	"
Cons. Gold	180	71	5	77	—	—	—	247p
Cons. Gold	200	51	15	57	—	—	—	"
Cons. Gold	220	31	16	40	—	—	—	"
Cons. Gold	240	16	20	28	—	33	1	"
Cons. Gold	260	5	2	12	7	21	2	"
Courtaulds	100	4½	15	8	—	11	—	96p
Courtaulds	110	2	—	5	—	6	—	"
Courtaulds	120	1	92	2½	1	4	5	"
Courtaulds	130	½	25	—	—	—	—	"
GEC	360	25	60	40	17	60	—	367p
GEC	390	11	20	26	16	45	—	"
GEC	420	4	103	16	—	32	—	"
GEC	460	1	117	8	10	21	—	"
Grand Met.	130	15	3	18	—	20	—	142p
Grand Met.	140	8	3	15	10	19	—	"
Grand Met.	150	3	—	7	26	12	—	"
Grand Met.	170	1	45	3	—	7	—	"
ICI	390	6	14	12	—	23	—	359p
ICI	420	1	13	5	—	18	—	"
Land Secs	300	5	2	20	11	25	15	285p
Land Secs	330	2	20	11	—	18	25	"
Land Secs	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	90	24	—	28	10	—	—	112p
Marks & Sp.	110	8	2	10	30	20	5	"
Marks & Sp.	120	3½	61	7½	—	14	—	"
Marks & Sp.	130	1	70	3	—	10	—	"
Shell	325	49	5	52	—	—	—	359p
Shell	350	28	15	37	—	48	—	"
Shell	375	15	36	26	15	37	—	"
Shell	400	5	6	16	2	28	—	"
Totals			930		187		47	

Option	Ex'rc'se price	August Closing offer	August Vol.	November Closing offer	November Vol.	February Closing offer	February Vol.	Equity close
BOC Intl.	70	8½	10	10½	—	13	—	74p
BOC Intl.	80	2½	5	4	6	4	—	"
Boots	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	192p
EMI	110	6	5	9	[illegible]	[illegible]	[illegible]	95p
EMI	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
EMI	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RTZ	300	20	15	34	—	50	—	299p
RTZ	330	9	2	25	—	34	—	"
RTZ	360	4	5	13	4	[illegible]	—	"
Totals			133		49		48	

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines FT	+41.98	Capital Goods Group	+13.57
Mining Finance	+35.65	Food Manufacturing	+12.91
Food Retailing	+32.99	Metal and Metal Forming	+12.27
Merchant Banks	+32.25	Wines and Spirits	+11.98
Oils	+32.01	Contracting and Construction	+11.75
Property	+30.12	Hire Purchase	+11.68
Stores	+29.16	Other Groups	+10.36
Banks	+26.46	Engineering Contractors	+ 9.92
Overseas Traders	+26.44	Investment Trusts	+ 9.52
Electronics, Radio and TV	+25.89	Mechanical Engineering	+ 8.96
Building Materials	+21.62	Chemicals	+ 8.86
Insurance (Life)	+21.27	Packaging and Paper	+ 5.97
Newspapers and Publishing	+21.13	Insurance (Composite)	+ 5.34
Breweries	+20.39	Motors and Distributors	+ 4.39
Entertainment and Catering	+19.92	Tobaccos	+ 3.73
Shipping	+19.19	Household Goods	+ 3.10
Financial Group	+18.18	Office Equipment	− 0.51
Consumer Goods (Non-Durable)	+17.93	Textiles	− 1.13
All-Share Index	+17.70	Pharmaceutical Products	− 4.70
500 Share Index	+17.57	Insurance Brokers	− 7.22
Consumer Goods (Durable)	+17.12	Toys and Games	−13.22
Discount Houses	+16.72		
Industrial Group	+14.97		
Electricals	+14.90		

† Percentage changes based on Tuesday, June 12, 1979, indices.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 30	Jun. 11	Aug. 23	Sep. 4
Jun. 12	Jun. 25	Sep. 6	Sep. 18
Jun. 26	July 9	Sep. 20	Oct. 2

For rate indications see end of Share Information Service

Stocks to attract money for the call included **Consolidated Gold Fields**, **W. E. Norton**, **Burmah Oil**, **Shell Transport**, **Levex**, **EMI**, **Barker and Dobson**, **Ladbroke Warrants**, **Wankie Colliery**, **Rothmans**, **Burton 'A'**, **Britannia Arrow**, **Duple**, **NatWest**, **Countryside Properties**, ***National Carbonising and Comfort Hotels.*** Puts were arranged in **Harris Lebus**, **Group Lotus**, **Bass**, **Lloyds and Scottish**, **Mettoy**, **Westland** and **Ladbroke**, while double options were transacted in **P. and O. Deferred**, **Burmah Oil**, **Tesco**, **French Kier**, **Fairbairn Lawson**, **Lex Service** *Warrants*, **Shell Transport** and **EMI**.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
BP	£1	16	1164	−30	1246	882
GEC	25p	14	365	−15	466	311
ICI	£1	14	360	− 9	415	346
Shell Transport	25p	12	362	− 8	402	278
Burmah Oil	£1	11	128	− 4	134	82
Grand Met. "New"	Nil/pd.	11	15pm	+ 2½	16pm	10pm
Imperial Group	25p	9	92	− 1	108	82
LASMO	25p	9	222	−10	246	124
Metal Box	£1	9	298	−12	358	298
Midland Bank	£1	9	415	−15	465	348
NatWest	£1	9	355	−15	408	278
RTZ	25p	9	300	−12	362	226
Sears Hldgs.	25p	9	52	− 1½	61	35½
BAT Inds.	25p	8	269	−13	362	269
Courtaulds	25p	8	96	− 3	122	95

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or –	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
60	F.P.	11/7	91	76	B & Q (Retail) 5p	76	–5	2.46	2.6	3.2	16.3
115	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rock Darham [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or –
20p	F.P.	11/5	21½p	18p	How'rd Wyndh'm 9% Cnv. Cum. Red. Prf.	18p	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Kwik-Fit (Tyres) 8% Cnv. Ln. 1979/85	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	Marsh'll's Univ'rs'l 7¾% Cnv. Cum. Red. Prf.	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	Portsmouth Water 8% Red. Prf. 1984	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 8% Cnv. 1991-94	[illegible]	[illegible]
98	[illegible]	[illegible]	[illegible]	[illegible]	York Water 12% Deb 1986	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or –
26½	F.P.	[illegible]	[illegible]	[illegible]	Davis & Metcalfe 'A'	32	[illegible]
85	[illegible]	[illegible]	[illegible]	[illegible]	Edwards (Louis C.)	[illegible]	[illegible]
126	[illegible]	[illegible]	[illegible]	[illegible]	Grand Metropolitan	15pm	+2½
12	[illegible]	[illegible]	[illegible]	[illegible]	Hampton Trust	[illegible]	[illegible]
154	[illegible]	[illegible]	[illegible]	[illegible]	MEPC	[illegible]	[illegible]
85	[illegible]	[illegible]	[illegible]	[illegible]	P-M-A Holdings	[illegible]	[illegible]
210	[illegible]	[illegible]	[illegible]	[illegible]	Peterson Tennant	[illegible]	[illegible]
20	[illegible]	[illegible]	[illegible]	[illegible]	Provincial Laundries	[illegible]	[illegible]
118	[illegible]	[illegible]	[illegible]	[illegible]	Pullman (R. & J.)	[illegible]	[illegible]
60	[illegible]	[illegible]	[illegible]	[illegible]	Scotcros	[illegible]	[illegible]
115	[illegible]	[illegible]	[illegible]	[illegible]	Scot. Met. Prop.	[illegible]	[illegible]
265	[illegible]	[illegible]	[illegible]	[illegible]	Simon Engineering	[illegible]	[illegible]
20	[illegible]	[illegible]	[illegible]	[illegible]	Single Holdings	[illegible]	[illegible]
150	[illegible]	[illegible]	[illegible]	[illegible]	Smurfit Jefferson	[illegible]	[illegible]
455	[illegible]	[illegible]	[illegible]	[illegible]	Standard Chartered Bank	[illegible]	[illegible]
138	[illegible]	[illegible]	[illegible]	[illegible]	Tilling (Thomas)	[illegible]	[illegible]
175	[illegible]	[illegible]	[illegible]	[illegible]	Tricentrol	[illegible]	[illegible]
93	[illegible]	[illegible]	[illegible]	[illegible]	UDS	[illegible]	[illegible]
20	[illegible]	[illegible]	[illegible]	[illegible]	Weeks Associates	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

• These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., June 13, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., June 12 Index No.	Mon., June 11 Index No.	Fri., June 8 Index No.	Thurs., June 7 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	253.46	−3.3	16.81	5.53	7.79	262.01	261.81	263.45	267.22	215.23
2	Building Materials (27)	239.01	−3.4	16.82	5.82	7.93	247.34	246.51	248.96	251.81	188.48
3	Contracting, Construction (28)	383.02	−4.2	23.48	5.65	5.36	400.01	400.35	401.86	403.94	348.22
4	Electricals (14)	593.20	−3.8	13.11	3.22	10.47	616.69	614.17	617.37	635.32	456.75
5	Engineering Contractors (12)	371.38	−4.1	19.52	6.52	6.56	387.43	386.38	393.38	394.48	321.27
6	Mechanical Engineering (75)	192.56	−2.5	17.18	6.03	7.56	197.54	198.03	198.86	200.73	176.09
8	Metals and Metal Forming (16)	174.70	−2.4	18.48	8.92	6.78	178.91	179.53	180.27	181.59	163.12
	CONSUMER GOODS										
11	(DURABLE) (52)	234.71	−3.3	14.93	4.65	8.87	242.62	242.94	244.58	247.11	199.52
12	Lt. Electronics, Radio, TV (16)	319.24	−3.2	11.58	3.34	12.17	329.72	329.25	332.53	334.86	234.13
13	Household Goods (12)	166.45	−2.9	16.79	7.13	7.98	171.49	171.74	173.69	173.95	180.08
14	Motors and Distributors (24)	120.44	−3.5	22.00	7.03	5.61	124.82	125.75	125.57	128.05	126.72
	CONSUMER GOODS										
21	(NON-DURABLE) (171)	237.96	−2.4	15.74	5.69	8.13	243.72	244.53	245.81	248.58	202.13
22	Breweries (14)	273.18	−2.0	14.91	5.66	8.21	278.67	275.27	279.45	284.69	228.79
23	Wines and Spirits (6)	307.70	−2.7	15.27	4.86	9.54	316.32	304.92	305.43	310.29	256.91
24	Entertainment, Catering (17)	317.07	−1.2	14.81	6.50	8.94	320.84	317.00	316.86	322.85	254.58
25	Food Manufacturing (19)	219.52	−2.6	18.00	5.20	6.91	225.43	225.36	227.49	229.19	199.41
26	Food Retailing (15)	297.71	−1.7	11.17	4.05	11.86	302.71	301.41	302.86	304.94	203.28
32	Newspapers, Publishing (12)	439.07	−1.5	21.64	6.00	6.56	445.63	445.11	448.65	453.36	376.70
33	Packaging and Paper (15)	135.26	−2.4	21.01	8.24	6.17	138.54	140.04	142.61	144.21	136.26
34	Stores (41)	238.82	−2.6	11.78	4.26	11.43	245.10	251.66	249.99	253.27	179.14
35	Textiles (23)	170.84	−3.1	20.70	9.19	6.30	176.37	177.25	177.53	179.15	181.36
36	Tobaccos (3)	236.61	−3.0	24.00	8.70	4.79	243.88	241.51	240.03	248.15	258.33
37	Toys and Games (6)	77.09	−2.9	29.35	8.81	4.09	79.37	79.37	79.02	78.86	107.33
41	OTHER GROUPS (99)	208.42	−2.5	15.28	6.14	8.12	213.86	214.31	215.42	217.83	199.44
42	Chemicals (18)	292.66	−2.3	17.40	6.74	6.71	299.65	299.77	302.31	308.84	286.75
43	Pharmaceutical Products (7)	224.73	−2.8	12.23	5.08	10.18	231.31	231.16	230.82	233.67	258.98
44	Office Equipment (6)	122.47	−4.4	16.73	6.70	7.54	128.06	128.20	128.01	128.71	134.21
45	Shipping (10)	473.23	−2.3	9.98	6.57	13.57	484.16	487.80	489.52	498.47	438.52
46	Miscellaneous (58)	248.79	−2.3	15.58	5.93	8.37	254.64	255.75	257.48	258.39	205.80
49	INDUSTRIAL GROUP (494)	241.74	−2.7	15.84	5.68	8.09	248.45	248.91	249.94	253.29	211.44
51	Oils (6)	651.51	−2.3	12.11	3.36	8.78	667.03	670.26	681.33	696.75	490.18
59	500 SHARE INDEX	274.96	−2.6	15.19	5.27	8.20	282.40	283.07	284.86	289.14	234.58
61	FINANCIAL GROUP (115)	193.29	−2.6	—	5.46	—	198.36	196.44	197.87	199.89	165.12
62	Banks (6)	237.25	−4.0	28.07	5.11	4.60	247.25	237.14	237.59	240.59	188.85
63	Discount Houses (10)	245.27	−1.3	—	7.81	—	248.53	246.26	248.46	249.89	216.28
64	Hire Purchase (5)	170.85	−6.5	19.44	5.29	6.62	182.74	184.01	188.10	190.28	145.19
65	Insurance (Life) (10)	160.48	−0.6	—	6.62	—	161.45	160.51	161.79	164.10	137.49
66	Insurance (Composite) (8)	126.85	−1.7	—	7.44	—	129.05	129.35	131.63	133.46	127.76
67	Insurance Brokers (10)	278.17	−3.1	18.09	6.88	7.93	287.19	285.53	287.52	292.51	334.29
68	Merchant Banks (14)	99.99	−2.3	—	5.37	—	102.36	102.00	102.78	102.85	80.19
69	Property (42)	340.19	−2.2	3.15	2.67	48.78	347.97	351.57	352.51	354.04	234.05
70	Miscellaneous (10)	123.29	−1.0	15.25	7.56	8.43	124.54	125.23	126.36	126.53	109.27
71	Investment Trusts (111)	219.36	−1.2	—	5.26	—	222.10	221.87	223.81	224.34	213.99
81	Mining Finance (4)	131.64	−4.2	15.17	5.97	8.01	137.36	138.24	138.89	139.28	102.36
91	Overseas Traders (20)	365.33	−1.3	15.31	6.92	8.30	370.07	372.86	374.40	375.05	313.34
99	ALL-SHARE INDEX (750)	252.60	−2.5	—	5.36	—	259.19	259.27	260.97	264.34	216.66

FIXED INTEREST PRICE INDICES

	British Government	Wed., June 13	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	104.15	−1.57	0.20	4.56
2	5-15 years	114.95	−2.62	—	5.04
3	Over 15 years	122.34	−2.65	—	5.52
4	Irredeemables	129.19	−2.10	—	6.30
5	All stocks	112.79	−2.24	0.08	5.03

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Wed., June 13	Tues., June 12	Year ago (approx.)
1	Low Coupons	5 years	10.62	9.88	8.74
2		15 years	11.86	10.88	10.82
3		25 years	11.50	11.28	11.49
4	Medium Coupons	5 years	12.29	11.64	11.28
5		15 years	12.48	12.05	12.01
6		25 years	12.48	12.13	12.19
7	High Coupons	5 years	12.59	11.88	11.49
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		11.36	[illegible]	[illegible]

		Wed., June 13 Index No.	Yield %	Tues. June 12	Mon. June 11	Fri. June 8	Thurs. June 7	Wed. June 6	Tues. June 5	Mon. June 4	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	70.29	13.28	59.64	59.57	59.71	59.66	60.19	60.26	60.22	[illegible]
16	Investment Trust Prefs. (15)	60.13	13.95	51.78	51.78	51.70	51.62	52.37	52.41	51.41	[illegible]
17	Coml. and Indl. Prefs. (20)	58.56	12.66	72.89	73.04	73.43	73.43	73.80	73.90	73.79	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

High	Low	Stock	Price	+ or -	Int.	Red.
103¾	98¾	FFI 13pc 1981	101	......	12.87	12.27
107	100	Do. 14pc '79	101	-1	14.24	—
108¼	98¼	Do. 14pc '83	104½	......	13.40	12.65
86½	77½	ICFC 5½pc Deb. '80-82	82	-3½	6.84	12.20
85	71½	Do. 6¼pc Db. '81-84	76xd	-3	8.22	12.50
99	84½	Do. 10½pc Uns.Ln. '86	90xd	-1½	11.66	12.80
99	84½	Do. 11pc Uns.Ln. '88	90xd	-2	12.22	12.80
101½	84	Do. 11¾pc Uns.Ln. '90	92½xd	-3	12.70	13.00
72½	57	Do. 7¼pc ADeb. '89-92	64xd	-2½	11.32	13.00
69	53½	Do. 7¼pc A Db. '91-94	64	-1½	11.68	13.00
81½	64½	Do. 9pc 'A' '91-94	76	-3	12.22	13.30
78½	62½	Do. 8¾pc Ln. '92-97	74	-2	12.57	13.10

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10, Cannon Street, London EC4P 4BY
Telex: Editorial 886341/2, 883897. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.
INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 12171 Tel: 240 555

Birmingham: George House George Road. Telex 338650 Tel: 021-454 0922

Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039

Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037

Cairo: P.O. Box 2040. Tel: 938510

Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321

Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120

Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545

Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex 12533 Tel: 362 508

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex 7900 Tel: 243 1635

New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625

Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.57.43

Rio de Janeiro: Avenida Pres. Vargas 418-10. Tel: 253 4848

Rome: Via della Mercede 55. Telex 610032 Tel: 678 3314

Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex 17603 Tel: 50 60 88

Tehran: P.O. Box 11-1879. Telex 213930 Tel: 682698

Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Telex J 27104 Tel: 241 2920

Washington: 2nd Floor, 1325 E. Street, N.W., Washington D.C. 20004 Telex 440340 Tel: (202) 47 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Edinburgh: 37 George Street. Telex 72484 Tel: 031-226 4139

Leeds: Permanent House, The Headrow. Tel: 0532 454969

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381

New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300

Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01

Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	......	—	—	—
171	114	Bougainville 50 Toea	114	−10	015c	1.0	8.1
140	84	BH South 50c	96	−6	—	—	—
730	340	Central Pacific	610	−70	—	—	—
318	189	Conzinc Riotinto 50c	189	−21	†010c	2.0	3.3
36	20	Cultus Pacific N.L.	20	......	—	—	—
21½	11	Endeavour 20c	14	+1	—	—	—
98	62	G.M. Kalgoorlie $1	83	−11	Z03c	—	2.1
42	23	Haoma Gold N.L.	27	−1	—	—	—

TINS

COPPER

MISCELLANEOUS

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or −	Div.	C'vr	Y'ld
$17½	$10½	Buffels R1	$15⅝	−1½	Q200c	♦	12.9
$15½	890c	East Drie R1	$13¾	−1½	Q115c	1.6	9.7
950c	350c	East Rand Prp. R1	840c	−50	Q10c	—	1.4
$27	$18⅝	F.S. Geduld 50c	$26	−1⅛	†Q315c	2.4	15.1
$18	$11⅞	Pres. Brand 50c	$16⅝	−1¼	†Q150c	3.2	10.4
$17¾	$10¾	St. Helena R1	$15⅝	−1	Q190c	1.4	14.0
760c	407c	Stilfontein 50c	670c	−45	†Q66c	♦	12.0
$32¼	$18¾	Vaal Reefs 50c	$30¼	−1⅞	Q280c	2.7	10.6
$50¼	$28¾	West Drie R1	$45¾	−1¼	†Q385c	1.7	9.7
$34½	$22¼	West Hldgs. 50c	$33	−1¼	†Q415c	1.4	14.5
$16¼	$10¾	Western Deep R2	$15½	−⅝	Q147½c	2.1	10.9

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	28	......	Sheff. Refrshmt	87	......
Ash Spinning	105	......	Sindall (Wm.)	140	......
Bertam	24	−1			

IRISH

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday June 14 1979

Government shelves union forum plan

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT has shelved plans for an economic forum to "educate" trade unions in what the country can afford to pay in wages.

In spite of union warnings that the Budget will fuel wage expectations in the coming bargaining round, Ministers seem determined to rely on monetary control and the Chancellor's tax cuts to defuse pay demands.

Hostile trade union reaction to the Budget intensified at a meeting of the TUC economic committee yesterday. Mr. Len Murray, TUC general secretary, gave a warning afterwards that the measures would lead to action by trade unions, "possibly extending to industrial action," as they defended jobs and living standards.

"If anyone wants to start saying this is political action, they will be utterly and entirely wrong. Trade unions have a job to do, and that job has to be shaped in part in response to what the Government does."

The committee, attended by Mr. Anthony Wedgwood Benn and Mr. Neil Kinnock, two of the most prominent Left-wingers on Labour's back benches, decided to ask for an early meeting with the Prime Minister.

Its purpose would be to tell the Government that it must bear the responsibility for any action against its Budget measures. Mrs. Thatcher would be told that there was an alternative economic strategy and that unions had a legitimate role of defending jobs and living standards under any Administration.

The TUC is to begin a campaign against the Government's economic polices. Mr. Murray said that no details had been worked out.

Initially it will be a prepayment evercise to win rank-and-file support for opposition to the Budget strategy. That might lead later to active TUC support for individual unions that take industrial action over jobs or wages.

The TUC is anxious not to be seen at this stage as organising colective political confrontation.

Although low-key, the campaign is likely to attract widespread support. The public service unions, often seen by others as a brake on militant action, are in uproar over the threatened cuts in jobs and services.

Mr. Murray said: "We are not trying to pretend that the Government did not win the election and is not in office. But we always think that logical and reasonable argument will be heard.

The Chancellor foresaw the trade unions' reaction, which has been to emphasise that negotiators would look at the Retail Prices Index, not at tax cuts, when lodging pay demands.

Although no final decision has been taken on the forum, the plan, which was prominent in Conservative and Confederation of British Industry policy papers but watered down in the manifesto, appears to have succumbed to objections that it would look inconsistent with the Government's free market and free collective bargaining philosophy.

Ministers are likely instead to start a campaign of speeches, echoing the Chancellor's Budget-day warning that workers' attempts to retrieve in wages the full increase in prices would be "self-defeating." At the same time, bilateral talks with the TUC, the CBI and other groups will continue through the summer.

Ministers hope that the tax rebates will take the edge off the winter's wage demands. In the first pay week after July 12, a married man on average earning of £100 a week will get a tax rebate of £28.70 and after October 5 another lump sum of £41.

Suggestions that the National Economic Development Council, the longest surviving tripartite institution, might become the forum in discussing wages have been dropped.

At its first meeting after the election, the Chancellor reaffirmed the Government's commitment to the Council's role, and Mr. Murray emphasised yesterday the TUC's continuing commitment to it.

Even Ministers such as Mr. James Prior, Employment Secretary, who want an economic forum, are not prepared to upset the council or to create a new institution merely in response to short-term pressures that might prove its undoing.

Chemical workers seek at least 20 per cent, Page 9

Miners seek Government defeat, Page 9

BL warns on jobs cuts

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS has warned senior shop stewards that the Triumph workforce at Canley, Coventry, will have to be cut by nearly 3,000 within three years.

The cuts would be even larger without the project to assemble a new Honda car at Canley, which is expected to create 1,600 jobs. The workforce would be reduced from the present 7,300 to around 3,000—a level of activity that would put the plant in serious jeopardy.

Jaguar Rover Triumph refused last night to discuss details of plans to assemble the new medium-range Honda car at Canley by mid-1981. Negotiations are making good progress, but contracts have still to be signed.

Management is expected to use the worker participation machinery at Canley to spell out to employees the importance to the plant's future of the Honda link-up.

Fears of redundancies have been rife at Canley for some time because of the ageing model MG Midget, Spitfire and Dolomite models, all of which have to be phased out over the next few years.

Without the Honda, Canley would be left with only TR7 assembly and production of engines for the Rover 2300 and 2600.

In the proposed deal with Honda, the new car would be produced both in the UK and Japan. BL would supply Common Market countries.

The Speke plant in Liverpool, would supply pressings for the cars to be assembled at Canley, but the engine and gearbox would come from Honda. A substantial and increasing proportion of the car's components would come from UK manufacturers.

'U.S. recession not inevitable'

BY NICHOLAS COLCHESTER

A LOWER rate of growth imposed upon the industrialised world requires a change in the fundamental approach to economic management, Mr. Michael Blumenthal, U.S. Treasury Secretary, said in London yesterday.

In a determined defence of the Carter administration's economic management, he said a recession in the U.S. was not inevitable. "Some indicators have turned down, but we have our inventories under control and capital spending is still strong." Later this year, after some "tough months," the desired results would emerge—"an economic slowdown accompanied by an abatement of inflation."

Speaking at the annual International Monetary Conference for leading bankers, he predicted that the U.S. current account deficit should fall to $10-12bn this year from last year's $17bn, with the trade deficit improving from $35.4bn to $27bn.

Mr. Blumenthal spelled out the American economy's two main problems—the rising cost of energy and lagging productivity and investment. "I find a growing consensus that the rigidities and inefficiencies which all governments impose on their economies discourage the investment, productivity growth and dynamic change that are needed to break out of the situation we are collectively confronted with," he explained.

Echoing the budget speech of Sir Geoffrey Howe, the Chancellor of the Exchequer, with whom he talked later, Mr. Blumenthal told the bankers that demand management was no longer enough and that "we must emphasise again the supply side of our economy" and "liberate the U.S. economy from constraints bred of short-term expediency."

He complained that in the U.S. "labour productivity has steadily declined to the point where it rose only four-tenths of 1 per cent this past year. Our capital base has aged, and the oil crisis has radically altered its efficiency."

Conservation of energy was vital in the short run, Mr. Blumenthal insisted: "The choice is not between growth and inflation. The choice is between growth with conservation and no growth with high inflation." He said that the approaching European Community and Tokyo summits provided the opportunity for leaders to confront these challenges—to restore order to the spot market for petroleum, to restrain demand, and to develop alternative energy sources.

Turning to the U.S. economy's broader malaise, he reviewed the U.S. Administration's measures to cure it by insisting that the Federal budget be moved towards balance, by moving to deregulate more of U.S. industry than any other administration, and to provide new tax incentives for capital formation.

Move to cut cost of EEC air travel

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

FAR-REACHING changes in the operations and fare structures of European airlines, aimed at reducing substantially the cost of air travel in the EEC and improving levels of efficiency in the industry, were recommended yesterday by the EEC Commission.

In a memorandum the Commission calls on EEC Governments to ask airlines for new arrangements bringing down tariffs on major routes and offering passengers a wider choice of services.

It says that the Commission intends to publish, probably before the end of July, formal proposals for EEC legislation greatly strengthening its authority to subject airlines to EEC competition rules. It calls for cuts in airlines' operating costs by simplifying procedures, notably for airfreight transport.

The paper is intended to form the basis for a broad discussion. The Commission has no powers to compel Governments and airlines to adopt its recommendations. Its plans would require unanimous approval by the Council of Ministers.

The paper is likely to provoke controversy among member-Governments, particularly those with losing national flag carriers.

Among steps the Commission suggests are:

- Introduction of a third-class fare.
- Special fares for a limited number of seats if payment is made in advance and not reimbursed in full if a passenger changes his plans.
- A basic "no-frills" ticket, with extra charges for reservations and ticket exchange.
- Setting aside of a proportion of weekly capacity on certain routes at about half economy-class fare.
- A European round-trip ticket.
- General implementation of standby tariffs.

The Commission suggests that if airlines refuse to make these changes voluntarily the Governments responsible permit other operators to compete on major routes on a limited basis.

If the Commission were given the necessary powers it could make detailed investigations into carriers' operations, order "offenders" to alter tariffs and schedules, and impose substantial fines.

One potential obstacle to this proposal is that airlines might argue that they fixed their tariff levels in negotiation with Governments, which bore legal responsibility. While the Commission believes that it could legally open proceedings directly against Governments, it has avoided such head-on confrontations in the past.

Nigg platform men face redundancy

BY KEVIN DONE, ENERGY CORRESPONDENT

NEARLY three-quarters of the 1,600 workers at Highland Fabricators' oil-platform construction yard at Nigg Bay on Cromarty Firth have been threatened with redundancy by early September.

The company has failed to win either of the main contracts in the recent round of ordering for the North Cormorant and Maureen Fields.

In the next few weeks it will complete work on small orders for equipment for Amoco, Chevron and Texaco, and be left with only the main steel jacket for Shell-Esso's Fulmer Field.

This should guarantee some work until spring. Unless more orders are won soon the management says it may make a total of 1,192 men redundant between July 20 and September 1.

Mr. Rab Wilson, convenor of shop stewards at the yard, said last night that redundancies on this scale had never been expected.

The shop stewards have formed an action committee to seek help from Mr. Hamish Gray, Minister of State for Energy and the local MP, and from the Scottish TUC. They want a programme of work-sharing.

About 40 men employed on short-term contract work lose their jobs this week. Of the main workforce about 290 are due for redundancy by July 20, 400 by August 17 and 502 by September 1.

The yard's main hope for new work later this year lies in the contract to build the steel jacket for BP's Magnus Field, but this is not due to be placed until autumn.

The Government has been anxious to ensure a more steady flow of work to the offshore supplies industry. The level of work from the North Sea appears inadequate to support employment at all the Scottish yards.

Prospects for steel yards at Nigg Bay, Ardersier, and Methil were further clouded last month when Phillips Petroleum awarded the contract for a steel jacket for the Maureen Feld to a new partnership at Hunterston, Ayrshire.

BP subsidiary hit by new tax on Alaskan oil

BY DAVID LASCELLES IN NEW YORK

A CONGRESSIONAL committee's surprise vote to slap a new tax on revenues from Alaskan oil gave a sharp knock to the shares of oil companies active on the North Slope yesterday.

Worst hit was Standard Oil of Ohio, British Petroleum's 53 per cent-owned subsidiary, whose shares failed to open on time on Wall Street because of an order imbalance, and later lost $2¾ to trade at $54. SOHIO owns just over 53 per cent of Alaskan Oil, which is currently flowing at the rate of 1.2m barrels a day.

The flurry started when the House Ways and Means Committee, which is debating President Jimmy Carter's oil decontrol price proposals, voted to end the tax-exempt status which Alaskan oil has enjoyed since production started two years ago. This status was originally granted because of the enormous costs of developing and transporting oil from the North Slope.

The committee voted to take away 50 per cent of any North Slope profits attributable to world oil price increases mandated by OPEC unlike the rest of U.S. oil which is price-controlled, Alaskan oil sells at world prices. The tax would apply to oil from reservoirs which began producing before 1979.

The tax would be levied on revenues over and above an established base price of $7.50 a barrel, minus transportation costs. The base price itself would also be adjusted for inflation and other factors.

This base price was described by committee staff as generous, though the tax itself is expected to raise $1.2bn in 1980-84.

The new tax came as an amendment to a House Bill responding to Mr. Carter's request for a tax on windfall profits oil companies make from his programme to phase out oil price controls over the next 28 months. However, he had specifically asked for an exemption for Alaskan oil because of its high production costs. The fact that the committee chose to ignore this request reflects the strength of public feeling about the oil companies' earnings.

The House Ways and Means Committee was expected to approve the Bill by the end of this week, and pass it to the house floor where it should have an easy passage. The Senate will then have to formulate a Bill of its own, meaning that the entire measure is unlikely to become law before next autumn.

Continued from Page 1

Oil exporters press for rise

Further confusion has been added to OPEC's already chaotic pricing system by Iraq's decision to seek "most favoured seller" status for all its crude sales.

Oil companies lifting crude from Iraq are still unclear as to the exact prices Iraq is demanding during this month. But it is feared that Iraq will insist on receiving the equivalent of the highest surcharge imposed by any other OPEC member.

If similar quality Gulf crudes are used as the basis for Iraq's new prices, this could add about $1.50 a barrel to its prices to bring it in line with Iran. But the increases could be much larger if it tries to follow the price levels set by the African producers, Libya, Algeria and Nigeria.

Talks began in London yesterday on the formal ending of the remaining contractual links between the National Iranian Oil Company and the consortium of Western companies which, before the revolution, was responsible for producing most of Iran's crude oil.

The BP-led consortium's main role as the lifter of most of Iran's crude has already been terminated by the regime's decision to negotiate new contracts with individual oil companies.

But there are still many matters to settle between the two sides including stock levels at the time of the revolution, interest due on investments made by both the consortium and NIOC, expatriate personnel, the take-over of the consortium's service company and Abadan refinery stocks.

It is understood that NIOC is still hoping to recruit directly some foreign technicians from consortium companies to work in the Iranian oil fields, but few of the old workforce appear willing to return.

Continued from Page 1

Reaction to Budget

day's high of $2.1145. The overnight New York close was $2.10 and the Tuesday level in London $2.0915.

In contrast, equity prices dropped sharply. The FT 30-share Industrial Ordinary index closed 12.5 lower at 488.9 after a decline of 14.1 just after lunch.

Equities were unsettled by the inflation outlook and by the prospect of a tight squeeze on company profits and liquidity.

There were particularly sharp falls in share prices of overseas companies such as gold mines and plantations.

Andrew Taylor writes: Building society chiefs ruled out the possibility of an immediate rise in mortgage interest rates.

Mr. Leonard Williams, newly appointed chairman of the Building Societies Association, said the societies would wait to see how the banks, local authorities and other lending institutions reacted to the 2 per cent rise in MLR.

A decision on future of interest rates can be expected at the association meeting on July 12.

THE LEX COLUMN

Scramble for the cut-price tap

The Bank of England has not learnt very much from the Battle of Watling Street after all. It is true that when £800m of Treasury 11¾ per cent 2001-04 was issued on May 23 the lifts at the Bank were working smoothly and the new issue counter was efficiently manned. But hardly anybody applied. The real issue took place before the gilt-edged market opened at 10 am yesterday morning and it was a shambles.

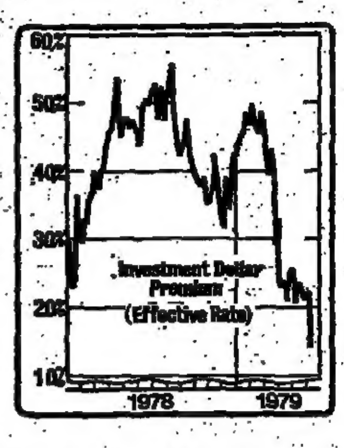
It is astonishing that after the elaborate attemts to improve the new issue mechanism, including the adoption of a partial tender method, there should still arise a state of affairs yesterday in which buyers were queuing up on telephones, those getting through after 9.45 often got nothing, some paid one price and some another, prices and allotments were often changed retrospectively and a great deal of ill feeling was generated between jobbers and the big institutional investors.

As has happened so frequently in recent months it required an economic event—in this case the Budget—to stimulate buying of a dormant gilt-edged tap stock. The long tap had remained unsold for some weeks at around its minimum issue price of 95¼ and the Government Broker was evidently keen to cut the price to a level at which he could be sure of selling out the whole issue. The price was cut to 90, but closed last night at 92.

Precise judgment is required for such decisions. If the price is too high the stock will not go, and the GB will have missed his chance—probably for several weeks. If the price is too low massive buying orders will sweep in and any hint of a scaling down of orders will only add fuel to the flames. The jobbers could make huge profits if they hold on to the stock and play the market along, or huge losses if they take a big line on to their books at the wrong price.

It is a system which was dedeveloped to handle small lumps of tap stocks—say £50m at a time. It cannot possibly cope satisfactorily with the disposal of virtually the whole of a tap stock at one time.

Index fell 12.5 to 488.9



The last time MLR was hoisted to 14 per cent in February it fell back in three weeks. Is the same going to happen this time?

The initial reaction of short-dated gilts was typical of the financial market's uncertainty. Yields rose by less than 1 per cent yesterday and are still roughly 1½ per cent below the levels that could be obtained the last time MLR was standing at 14 per cent. The building societies still seem to be talking about holding their rates although their competitive position has suffered horribly overnight and the banks seem uncertain as to what base rate they should post.

No one seems sure whether the rise in MLR is a symbolic gesture which will soon disappear or whether it is really meant to curb bank borrowing. At the moment the latter theory seems to be gaining ground.

If high interest rates are going to have any impact on credit demand they will have to continue until August at the earliest since the June banking month is almost over. However, this strategy could be upset if the foreigners start piling into the gilt-edged market.

Certainly sterling was powering ahead yesterday, with a rise of nearly 1 per cent on the day. The Chancellor's exchange control relaxations were not enough to make much of an impression on sentiment here. But it was a different story in the investment currency premium market, where the effective rate tumbled to around 12 per cent at one time, though it rallied to near 14 per cent at the close. There are still potential buyers of the premium, despite the likelihood that it will be eventually phased out, but they have drastically lowered their sights.

Interest rates

After the shock rise in Minimum Lending Rate everyone in the City yesterday was wondering just how long the rate would stay at 14 per cent. Neither the foreign exchange and gilt-edged markets nor the banks and the building societies seemed to know what to make of the move.

Eurodollar bonds

Falling U.S. interest rates, a strong U.S dollar and the growing conviction that the U.S. economy is slowing down have all combined to produce the second boom in Eurodollar bond issues this year. Yesterday a surge of planned new issues brought the total value of new bonds currently awaiting sale to over $800m.

One of the key advantages of the euro-dollar bond market over its New York counterpart is the speed with which issues can be arranged when free from the registration requiremnts of the SEC. This is a good week for the borrower to strike. The recent consistent strength of the dollar has led to a mounting quantity of European money nervous to invest in dollar bonds at the right moment.

The cut in the U.S. prime rate on Tuesday and the fall in the six month eurodollar rate to 10¼ per cent last night—its lowest level this year—both suggest that this moment could have arrived.

At the same time long term borrowing costs for dollars are new back to well below the 10 per cent yield which remains the psychological upper limit for corporate treasurers. This induced Unilever, for example, to arrange some permanent finance yesterday for its recent U.S. acquisition with an 8 year bond yielding 9.34 per cent.

Westland

Westland has never published interim profits before, and it warns that there is no "normal" pattern for its results between one half-year and the next. So the main interest does not lie in the figures—£5.2m pre-tax, compared with £13.3m in the whole of 1977-78 before losses and provisions on the Lynx helicopter and on hovercraft. Much more important is the news that these enormous provisions now "seem certain to cover all related costs."

The balance sheet remains in good shape, and Westland looks capable of producing a respectable financial performance for the next few years. But there are still two big uncertainties for the shares at 46½p (a market capitalisation of £27½m). One is the medium term outlook for Lynx orders, especially now that the Arab orders are in doubt. The other concerns Westlands ability to bring in the Sea King replacement in the mid-1980's, and to use it as a way into the growing civil market.

Weather

UK TODAY

SOME RAIN, bright intervals. Thunder in parts of Scotland and N. Ireland.

London, S.E., E. Anglia

Some rain at first, becoming brighter. Rain later. Max. 18C (64F).

Rest of England, Channel Is., Wales, Isle of Man, E. and S.W. Scotland

Rain followed by bright intervals and showers, some heavy with thunder. Max. 17C (62F).

Rest of Scotland, N. Ireland

Sunny intervals and showers, some heavy with thunder. Max. 13C (55F).

Orkney, Shetland

Rain followed by bright intervals and showers, some heavy with thunder. Max. 8C (46F).

Outlook: Showers or longer outbreaks of rain in most parts but some sunny intervals. Cool.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	25	77	Lisbon	F	21	70
Algiers	F	31	88	Locarno	C	23	73
Amsdm.	R	14	57	London	C	16	61
Athens	S	28	82	Luxmbg.	F	17	63
Bahrain	S	35	95	Luxor	S	42	108
Barclna.	C	14	57	Madrid	F	27	81
Beirut	S	27	81	Majorca	F	25	77
Belfast	C	15	59	Malaga	S	31	88
Belgrd.	F	27	81	Malta	S	31	88
Berlin	C	18	64	Mchstr.	R	14	57
Biarritz	R	16	61	Melbne.	C	15	59
Bmghm.	R	16	61	Milan	F	27	81
Blackp'l	C	13	55	M'ntreal	S	16	61
Bordx.	C	17	63	Moscow	S	22	72
Boulgn.	C	12	54	Munich	C	22	72
Bristol	C	15	59	Nairobi	S	22	71
Brussels	C	15	59	Naples	C	26	79
Budpst.	F	26	79	Nwcstl.	S	17	63
B. Aires	C	6	42	N. York	S	19	66
Cairo	S	35	95	Nice	S	24	75
Cardiff	C	14	57	Nicosia	S	29	84
Cas'b'ca	C	21	70	Oporto	C	19	66
Cape T.	S	16	61	Oslo	F	18	64
Chicago	S	20	68	Paris	C	16	61
Cologne	F	20	68	Perth	S	17	63
Cpnhgn.	C	14	57	Prague	F	25	77
Corfu	S	30	86	Reykjvk.	R	7	43
Dublin	R	15	59	Rhodes	S	29	84
Dbrvnk.	F	27	81	Rio J'o	S	27	80
Edinbgh.	C	12	54	Rome	C	27	81
Faro	S	25	77	Salzb'rg	S	26	79
Florence	S	23	73	Singapr.	C	26	79
Frankf't	F	22	72	Stckhm.	C	19	66
Funchal	F	21	70	Strasb'g	F	22	72
Geneva	F	22	72	Sydney	C	16	61
Gibrltr.	S	21	70	Tangier	F	21	70
Glasgow	C	16	61	Tehran	S	30	86
G'msey	R	13	55	Tel Aviv	S	27	81
Helsinki	S	20	68	Tenerife	S	26	79
H. Kong	C	22	72	Tokyo	C	24	75
Innsbr'k	C	20	68	Toronto	S	18	64
Invrnss.	C	14	57	Tunis	F	36	97
I.o.Man	C	12	54	Valencia	S	27	81
Istanbul	S	25	77	Venice	F	28	82
Jersey	C	14	57	Vienna	S	29	84
Jo'burg	S	7	45	Warsaw	F	26	79
L. Plms.	F	23	73	Zurich	R	18	64

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.

هكذا من الأصل